

Report on Missouri Tax Credits Administered by the



Missouri Department of
Economic Development

January 2025

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Listed below are programs no longer included in this book as the programs were eliminated by Statute and no longer have redemptions:

Brownfield Jobs and Investment

Dry Fire Hydrant Tax Credit Program

Enterprise Zone Tax Credit Benefit Program

Film Production Tax Credit Program (*Replaced by Motion Media Tax Credit Program*)

Innovation Campus Tax Credit Program

Land Assemblage Tax Credit Program

New Markets Tax Credit Program

Transportation Development Tax Credit

Economic and Fiscal Impact Overview

Like other states, Missouri uses tax incentive programs created by the legislature to spur job creation and economic growth. Through economic modeling, we're able to estimate and compare future state revenues to the costs of providing a tax benefit over time. This is called economic and fiscal impact analysis.

Models project how spending ripples through the economy, based on past spending patterns. They provide an estimate of the potential spin-off spending and jobs that could occur from changes in economic activity. This makes them well suited to projects and programs where the goal is economic development through job creation or capital investment. These models do not capture impacts that are hard to monetize, such as quality of life improvements or the catalytic effect of a project on the local economy. For tax incentives aiming for less quantifiable impacts, modeling can still be informative, but should be considered alongside other performance criteria.

Missouri Economic Impact Analysis Process

For many programs, statute requires economic and fiscal impact analysis for individual projects and the program as a whole. Every year the Department's model is updated with data from the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau and Missouri's Office of Administration.

The economic model currently used by DED is the Regional Economic Models, Inc. (REMI) Policy Insight model. Unlike other models, REMI allows the state to estimate impacts over a longer period, as opposed to a single year. This is important, given the multi-year structure of Missouri's tax incentive programs. The model also accounts for local competition, recognizing that a new business might take spending away from an existing business.

Economic Impact Example

For the annual program evaluations listed in the following forms, the analysis covers the combined direct impacts of projects approved throughout the year. To illustrate the results of economic and fiscal impact analysis, the following scenario provides a simplified example of a single project.

Project Assumptions:

A new machinery manufacturing company locates in Missouri, leading to one year of plant construction and equipment purchases totaling \$12.5 million. The company then hires 100 full-time workers at average wages. The state offers \$2.0 million in tax incentives spread over six years. Over a ten year period the fiscal benefit-cost ratio is 2.27 indicating that for every \$1 dollar of tax incentive the state is expected to receive \$2.27 in net new general revenue from increased economic activity.

| | Description | 10 Yr. Total |
|----------------------------------|--|--------------|
| BENEFIT | Projected net state general revenue (gross revenue minus gross expenditures) | \$4,330,244 |
| COST | Tax incentive spread over six years | \$1,903,633 |
| Fiscal Benefit-Cost (B/C) Ratio: | | 2.27 |

DED Administered Tax Credits - Enactment Timeline

| | | | | | | | | | | |
|---|--|---|--|--|---|--|---|--|---|---|
| 1977 | 1980 | 1982 | 1985 | 1986 | 1988 | 1989 | 1990 | 1992 | 1993 | 1994 |
| Neighborhood Assistance Program (NAP) | Business Facility (eliminated by statute 01/05 - except headquarters operations) | Enterprise Zone (eliminated by statute 01/05 except current projects) | Infrastructure | Seed Capital (cap exhausted) | MO Community College New Jobs Training Program ⁺ | Development (DTC)+++ Small Business Incubator Bond Guarantee | Affordable Housing Assistance Low Income Housing | Small Business Investment “Capital SBIC” (cap exhausted) | Research (eliminated by statute 01/05) | Community Development Corp “Community Bank” (cap exhausted) |
| 1995 | 1996 | 1997 | 1998 | 1999 | 2001 | 2004 | 2005 | 2007 | 2008 | |
| Brownfield Remediation Youth Opportunities Brownfield Jobs & Investment | BUILD CAPCO (cap exhausted) | Historic Preservation Rebuilding Communities+++ Film Production Transportation Development (eliminated by statute 01/05) Skills Development (eliminated by statute 08/04) | Wine and Grape Production New Enterprise Creation (cap exhausted) Family Development Account Dry Fire Hydrant (sunset 09/10) Mature Worker (eliminated by statute 08/04) | Neighborhood Preservation Act Loan Guarantee Fee (sunset 10/09) | Brownfield Demolition | Enhanced Enterprise Zone (EEZ)+++ MO Community College Job Retention Training Program+ Tax Credit Accountability Act (SB 1099) | MO Quality Jobs+++ | Distressed Area Land Assemblage New Markets | SB 718* HB 2393** | |
| 2009 | 2010 | 2013 | 2014 | 2016 | 2019 | 2021 | 2022 | 2023 | 2024 | |
| HB 191*** | Mo Mfg Jobs Act (sunset 10/16) | MO Works Training+ MO Works Program+++ Amateur Sports Contribution Ticket Sales Film (sunset 11/13) | Innovation Campus | AIM Zone | Innovation Campus Program (sunset 01/19) | Capitol Complex Tax Credit Act | Qualified Research Tax Credit Program (enacted 08/28) | Intern and Apprentice Recruitment Tax Credit (enacted 08/28) Show MO/Motion Media Tax Credit Program (enacted 8/28) | Entertainment Industry Jobs Act (enacted 1/1) Rural Access to Capital (enacted 8/28) | |

* SB 718 amended EEZ, MO Quality Jobs, NAP, DTC, New Markets, & Brownfield – established the prohibition for tax credits to companies employing illegal aliens.

** HB 2393 amended EEZ to add mega-projects.

*** HB 191 amended Affordable Housing, MDFB Infrastructure, BUILD, Historic Preservation, MO Quality Jobs, Low Income Housing, Loan Guarantee Fee, New Markets, Family Development Account, and Brownfield – added reporting requirements to the Tax Credit Accountability Act

+ HB 196 replaced MO Community College New Jobs Training Program and MO Community College Job Retention Training Program.

+++ HB 2400 created MO Works Program and replaced MO Quality Jobs, Rebuilding Communities, Enhanced Enterprise Zone, and Development Tax Credit State Incentives.

AFFORDABLE HOUSING ASSISTANCE PROGRAM

PURPOSE

An incentive for businesses and individuals to make donations to non-profit organizations that assist in the production of affordable rental housing or homeownership for low-income families in Missouri.

AUTHORIZATION

Sections 32.105 to 32.125, RSMo

HOW THE PROGRAM WORKS

To receive a tax credit a business firm or eligible individual must donate cash, professional services, real or personal property to a non-profit housing organization to assist with the acquisition, rehabilitation and/or new construction of affordable housing. There is a set-aside for donations that assist non-profit housing organization with their basic operating expenses. The tax credit allocated is equal to 55% of the value of the contribution.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Non-profit housing organizations are eligible to apply for the tax credit.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- Ch. 143 – Income Tax
- Ch. 147 – Corporation Franchise Tax
- Ch. 148 – Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax
- Ch. 153 – Express Company Tax

This credit's special attributes:

- Carryforward for 10 years
- Sellable or transferable

APPLICATION PROCEDURE

Refer to the MHDC website for application deadlines and forms.

SPECIAL PROGRAM REQUIREMENTS

An eligible proposal must:

- Meet a demonstrated housing need;
- Provide affordable housing for low-income families by restricting rents and purchase prices;
- Target housing for low to moderate-income persons as defined by state statute;
- Provide assistance for the administrative costs of a non-profit housing organization.

An approved proposal for rental housing or homeownership must follow income and rent/resale restrictions for a period of 10 years.

CONTACT

Missouri Housing Development Commission
1201 Walnut Street, Suite 1800, Kansas City, MO 64106
Phone: (816) 648-0548
Email: courtney.bullard@mhdc.com

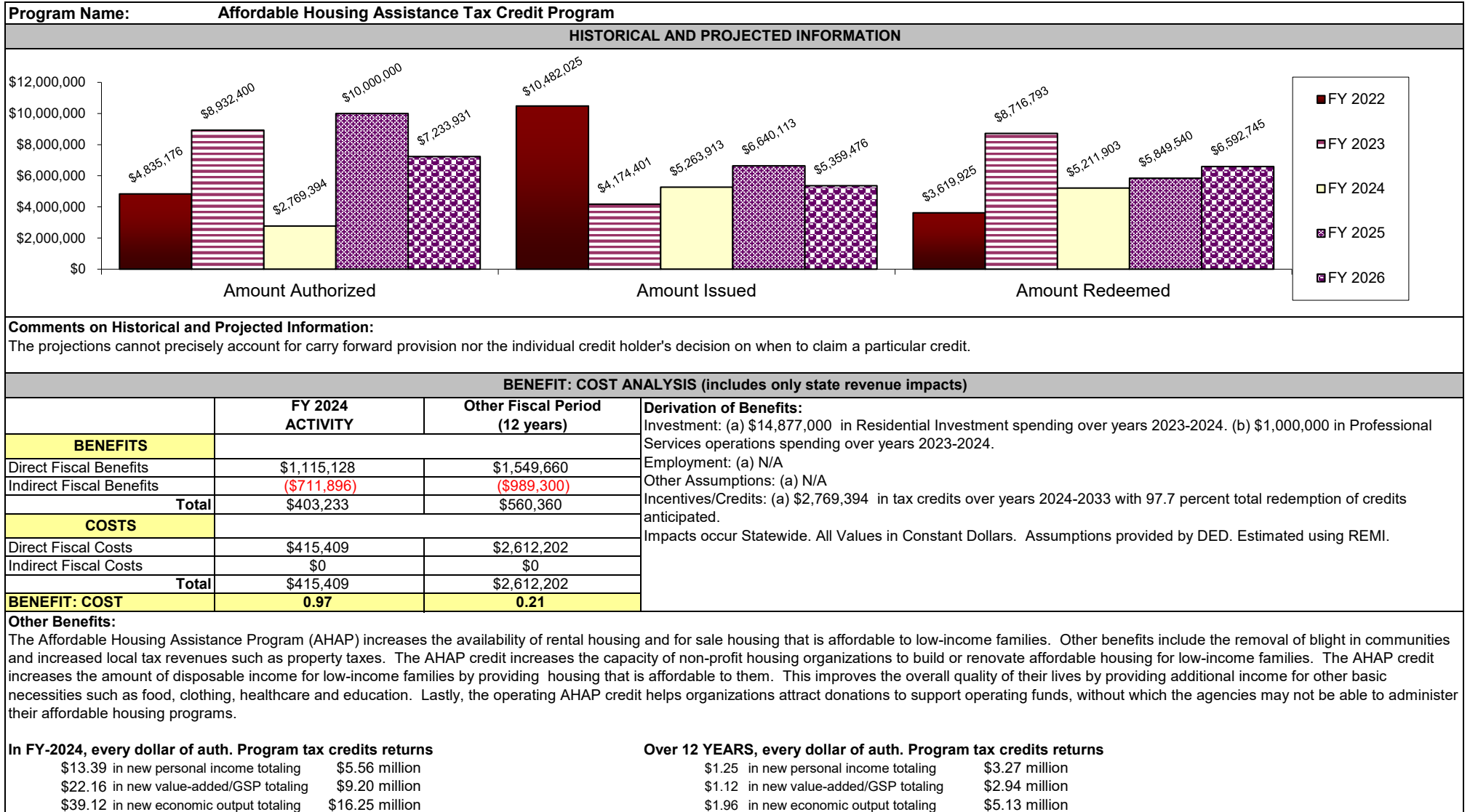
ADDITIONAL RESOURCES

Visit the Community Programs page under Programs at mhdc.com to obtain guidelines and forms required for the Affordable Housing Assistance Tax Credit Program as well as information regarding other MHDC housing programs.

TAX CREDIT ANALYSIS

| | | | | | | |
|---|-----------------------|---|---|---|----------------------------|--|
| Program Name: Affordable Housing Assistance Tax Credit Program | | | | | | |
| Department: Economic Development - Missouri Housing Development Commission | | Contact Name & No.: Courtney Bullard (816) 648-0548 | | | Date: January 2025 | |
| Program Category: Housing | | Type: | | Other: | | |
| Statutory Authority: Sections 32.105-32.125, RSMo | | Applicable Taxes: Income Tax, Bank Tax, Financial Institutions Tax, Corporate Franchise Tax, Tax on Gross Receipts of Express Companies, Insurance Premium Tax | | | | |
| Tax Credit Creation Date: 1990 | | Year of Last Legislative Change: 2009 | | | | |
| Program Description and Eligibility Requirements: The Affordable Housing Assistance Tax Credit Program (AHAP) is an incentive for businesses and qualified individuals in Missouri to participate in the production of affordable housing for low-income families. The credit can be used by a business or qualified individual as a reduction in their state tax obligation. To receive the AHAP credit, a business or qualified individual must donate cash, professional services, or real or personal property to a non-profit organization whose primary purpose is to provide affordable housing for low-income families. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> No | | Discretionary <input type="checkbox"/> Yes | | |
| The amount of Affordable Housing Assistance Program Tax Credit allocated is equal to 55% of the amount of contribution. Non-profit organizations make application to the Missouri Housing Development Commission (MHDC) for a reservation of AHAP credit. The non-profit organization then solicits contributions from businesses or qualified individuals to assist in the production of a specific affordable housing development. After MHDC receives the necessary documentation of a qualified contribution to the non-profit organization that meets all the criteria set out in the statute and program regulations, a tax credit is issued to the donor in the amount of 55% of the value of the contribution. Applications for production credits are accepted continuously, and applications for the operating credit set-aside are accepted once a year. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ <u>11 million</u> None _____ | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No | | Which Program(s)? _____ | | | | |
| Explanation of Cap: The cap on AHAP is set by statute at \$11 million annually of which \$10 million is for production credits and \$1 million is for operating credits. Once MHDC has made reservations totaling \$11 million in AHAP credit in a fiscal year, the application cycle is closed. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> No | | Date of Sunset _____ | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: The AHAP program does not have a statutory sunset provision. | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="checkbox"/> 10 years | | Carry Back <input type="checkbox"/> n/a | | Refundable <input type="checkbox"/> No | | Apportioned <input type="checkbox"/> No |
| Sellable/Assignable <input type="checkbox"/> Yes | | Organizations Remit an Offset <input type="checkbox"/> No | | Additional Federal Deductions/Credits Available <input type="checkbox"/> No | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 298 | 203 | 173 | 26 | 225 | 200 |
| Projects/Participants (#) | 48 | 44 | 45 | 20 | 46 | 45 |
| Amount Authorized | \$4,835,176 | \$8,932,400 | \$2,769,394 | \$7,619,581 | \$10,000,000 | \$7,233,931 |
| Amount Issued | \$10,482,025 | \$4,174,401 | \$5,263,913 | \$2,746,760 | \$6,640,113 | \$5,359,476 |
| Amount Redeemed | \$3,619,925 | \$8,716,793 | \$5,211,903 | \$2,238,056 | \$5,849,540 | \$6,592,745 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$13,997,520 | | FY 2024 EST. Amount Authorized but Unissued | | \$14,677,173 | |

TAX CREDIT ANALYSIS

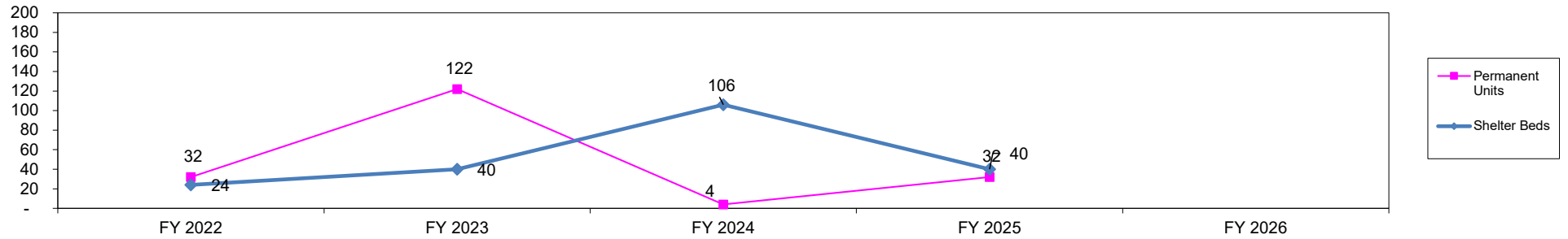


TAX CREDIT ANALYSIS

Program Name: Affordable Housing Assistance Tax Credit Program

PERFORMANCE MEASURE(S)

New Units/Shelter Beds



Comments on Performance Measure:

The number of housing units produced is based on what is reported to MHDC by the non-profit sponsor of the development. Projects awarded AHAP credits may be awarded additional credits in succeeding years; however, these projects receiving AHAP credits are not counted as "new units". In this circumstance, MHDC places a new Land Use Restrictive Agreement (LURA) on the units, extending the affordability period.

LOW INCOME HOUSING TAX CREDIT PROGRAM

PURPOSE

An incentive for the new construction or rehabilitation of affordable rental housing for low to moderate-income individuals and families in Missouri.

AUTHORIZATION

Sections 135.350 to 135.363, RSMo

HOW THE PROGRAM WORKS

This program leverages equity investments from the private sector for the development of rental housing, thereby reducing rents to affordable levels for low to moderate-income individuals and families. It provides a state tax credit claimed pro rata for ten years to qualified owners of affordable rental housing developments. A qualified development may be allocated a state LIHTC in an amount up to 100% of the federal tax credit allocated to the development. The total amount of federal 9% credits available is capped annually at an amount set by the IRS, based on the population of the state.

Developments financed by at least 50% through tax-exempt bonds are eligible to apply for 4% state LIHTC in lieu of 9% state credits. There is a \$6 million statutory annual cap on 4% state credits.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Developers (private and not-for-profit) are eligible to apply for the tax credit.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- Ch. 143 – Income Tax
- Ch. 147 – Corporation Franchise Tax
- Ch. 148 – Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax
- Ch. 153 – Express Company Tax

This credit's special attributes:

- 10-year credit
- Carryback 3 years
- Carryforward 5 years
- Sellable or transferable within an ownership structure

APPLICATION PROCEDURE

Each year MHDC publishes a Notice of Funding Availability (NOFA) announcing the LIHTC available and the deadline for both 9% and 4% proposals, which is typically in fall. The process to determine the allocation of tax credits is competitive. MHDC staff review all proposals to determine the financial feasibility and the demand for affordable rental housing in the community. Staff typically make their recommendations to the Commission in the following winter.

SPECIAL PROGRAM REQUIREMENTS

An eligible proposal must:

- Develop rental housing that rents at least (i) 20% of its units to families earning 50% of the area median income (AMI), (ii) 40% of its units to families earning 60% of the AMI; or (iii) 40% of its units to households meeting income limits that average at or below 60% AMI;
- Maintain the affordability of the rental units by restricting rents for an extended period of time, typically 30 years;
- Assist in the production of financially viable, market appropriate housing in areas of greatest housing need in the State;
- Be sponsored by an entity with prior successful housing experience and the ability to proceed in an expeditious manner.

An approved proposal must meet program standards including ongoing compliance reviews concerning:

- Resident household income eligibility;
- Rent restrictions;
- Occupancy standards;
- Physical property standards.

CONTACT

Missouri Housing Development Commission
1201 Walnut Street, Suite 1800, Kansas City, MO 64106
Phone: (816) 648-0548
Email: courtney.bullard@mhdc.com

ADDITIONAL RESOURCES

Visit the Multifamily page under Programs at mhdc.com to obtain program guidelines and forms required for the Low Income Housing Tax Credit Program.

TAX CREDIT ANALYSIS

| | | | | |
|--|---------|--|--------------------------|---|
| Program Name: Missouri Low Income Housing Tax Credit Program | | | | |
| Department: Economic Development - Missouri Housing Development Commission | | Contact Name & No.: Courtney Bullard (816) 648-0548 | | Date: January 2025 |
| Program Category: | Housing | Type: | Tax Credit | Other: |
| Statutory Authority: Sections 135.350-135.363, RSMo | | Applicable Taxes: Income Tax, Corporate Franchise Tax, Insurance Company Annual Tax on Gross Premium Receipts, Other Financial Institutions Tax, Express Company Annual Tax on Gross Premium Receipts | | |
| Tax Credit Creation Date: 1990 | | Year of Last Legislative Change: 2009 | | |
| Program Description and Eligibility Requirements: The Missouri Low Income Housing Tax Credit (MOLIHTC) is a ten-year state tax credit available to qualified owners of affordable rental housing. The MOLIHTC generates equity investments from the private sector for the development of new or rehabilitated rental housing which enables owners to lower rents to affordable levels for low-income families. A qualified development is one that (i) rents at least 20% of its units to families earning 50% of the area median income (AMI), (ii) rents at least 40% of its units to families earning 60% of AMI, or (iii) rents at least 40% of its units to families whose income does not exceed the income limitation designated for the respective unit, where the average of the income designated units may not exceed 60% of AMI. The development must (a) meet a demonstrated need for affordable rental housing in the community, (b) be economically feasible, (c) leverage tax credits with other financing, and (d) provide affordable rental housing for qualified low-income Missourians for a minimum of 15 years. | | | | |
| Explanation of How Award is Computed: | | Entitlement | No | Discretionary |
| The amount of the MOLIHTC allocated to a given housing development is directly related to the percentage of low-income housing units made available to qualified low-income families and the acquisition, construction or rehabilitation expenditures necessary to create the development, less land and non-depreciable costs. There are two types of MOLIHTCs: 9% and 4%. Developments compete annually for the 9% MOLIHTC. Developments receiving an allocation of tax-exempt bond-financing from the Department of Economic Development may apply to receive the 4% MOLIHTC. The statutory maximum amount of MOLIHTC that can be issued for any development is 100% of the federal LIHTC issued for the development. | | | | |
| Program Cap: | | Cumulative \$ (remainder of cumulative cap) \$ | | Annual \$ 100% of Federal LIHTC for 9% and \$6 million for 4% |
| | | | | None |
| Cap Shared Between Programs | | No | Which Program(s)? | |
| Explanation of Cap: The 9% MOLIHTC issued through the competitive application cycle is statutorily capped at 100% of the federal LIHTC. No more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance (4% MOLIHTC-RSMo 135.352). The MOLIHTC is redeemable annually over a ten year period. There are five year carry forward and three year back provisions. | | | | |
| Sunset Provision: | No | Date of Sunset | | Date of Last Sunset Extension |
| Explanation of Expiration of Authority: The MOLIHTC program does not have a statutory sunset provision. | | | | |
| Specific Provisions: (if applicable) | | | | |
| Carry forward | 5 years | Carry Back | 3 years | Refundable |
| | | | | No |
| | | | | Apportioned |
| | | | | No |
| | | | | Appropriated |
| | | | | No |
| Sellable/Assignable | No | Organizations Remit an Offset | No | Additional Federal Deductions/Credits Available |
| | | | | Yes |
| Comments on Specific Provisions: | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | |

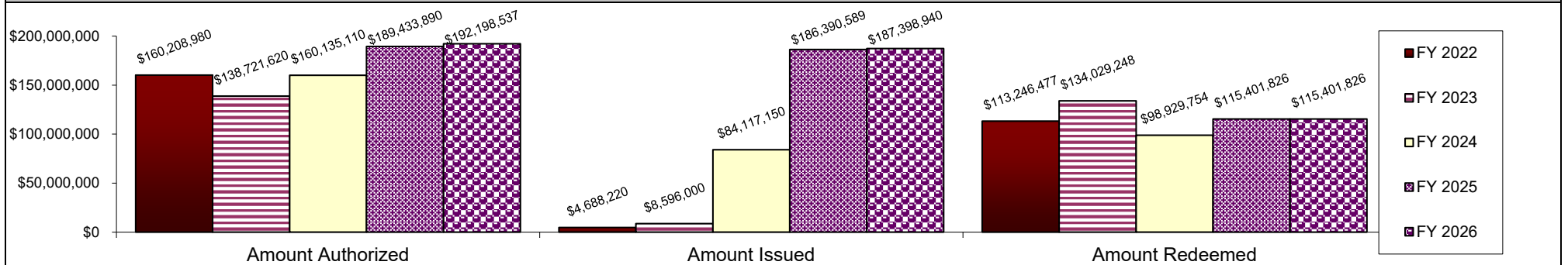
TAX CREDIT ANALYSIS

| Program Name: | Missouri Low Income Housing Tax Credit Program | | | | | |
|---------------------------|--|----------------|----------------|------------------------|---------------------|-----------------------|
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 5 | 14 | 253 | 362 | 417 | 299 |
| Projects/Participants (#) | 2 | 2 | 20 | 18 | 54 | 38 |
| Amount Authorized | \$160,208,980 | \$138,721,620 | \$160,135,110 | \$189,433,890 | \$189,433,890 | \$192,198,537 |
| Amount Issued | \$4,688,220 | \$8,596,000 | \$84,117,150 | \$71,878,250 | \$186,390,589 | \$187,398,940 |
| Amount Redeemed | \$113,246,477 | \$134,029,248 | \$98,929,754 | \$48,124,553 | \$115,401,826 | \$115,401,826 |

FY 2024 EST. Amount Outstanding \$415,522,858 FY 2024 EST. Amount Authorized but Unissued \$627,105,330

Notes: (1) The Amount Authorized and Amount Issued represent the total 10 year stream. The Department of Revenue is responsible for all redemption data. The EST. Amount Outstanding represents the cumulative amount of MOLIHTC issued, minus the cumulative amount of MOLIHTC redeemed, less expired/withdrawn/ suspended credits; EST Amount Outstanding reflects only those tax credits eligible to be redeemed. (2) The EST. Amount Authorized but Unissued represents developments that have received approval but have not completed construction or have not completed MHDC's process to receive their credits by an issuance of the Eligibility Statement. In order to determine the total maximum liability for MOLIHTC you may add the EST. Amount Outstanding and the EST. Amount Authorized but Unissued.

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

FY2022-FY2025 Authorized numbers reflect a 9% MOLIHTC up to 70% of the federal LIHTC allocation and a cap of \$3M Authorized annually for the 4% MOLIHTC. Issued projections include MOLIHTC that has been Authorized for developments which have not yet completed construction; the majority of credits are issued in years 2 and 3 after Authorization. Redemption projections cannot precisely account for carry forward and carry back provisions nor the individual credit holder's decision on when to claim a particular credit.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (15 years) | Derivation of Benefits: Investment: (a) \$79,091,145 in Residential Investment spending over years 2024-2025. Employment: (a) 25 FTE employees in Rental/Leasing and Repair/Maintenance services in 2024-2038; (b) \$286,072 in annual maintenance contracting between in 2024-2038. Other Assumptions: (a) 624 low income households with total increased disposable income spending of \$2,935,680 annually due to yearly rental savings of \$4,705 as compared to market rent. Incentives/Credits: (a) \$160,135,110 in LIHTC tax credits over years 2024-2035. Impacts occur Statewide. All Values in Constant Dollars. Assumptions provided by DED. Estimated using REMI. There were no other program incentives in FY 24. The multi-year fiscal Benefit-Cost Ratio is 0.05 if it is assumed that 40 percent of low income housing would be developed without the state LIHTC. |
|--------------------------|------------------|--------------------------------|--|
| BENEFITS | | | |
| Direct Fiscal Benefits | \$3,234,229 | \$7,588,182 | |
| Indirect Fiscal Benefits | \$1,213,281 | \$2,846,613 | |
| Total | \$4,447,510 | \$10,434,795 | |
| COSTS | | | |
| Direct Fiscal Costs | \$0 | \$142,200,217 | |
| Indirect Fiscal Costs | \$0 | \$0 | |
| Total | \$0 | \$142,200,217 | |
| BENEFIT: COST | N/A | 0.07 | |

Other Benefits:

The MOLIHTC program delivers rental housing that is affordable to low-income families, veterans, special needs tenants, and seniors. It reduces blight and improves communities through new construction and rehabilitation of affordable rental housing in Missouri. The reduced rents brought about by the MOLIHTC program increases households' disposable income and allows low-income families, veterans, special needs tenants, and seniors to meet more of their other basic necessities such as food, clothing, education and health care. The subsidy provided by the MOLIHTC program makes it economically feasible to develop new or rehabilitated affordable rental housing in many very low-income rural communities in Missouri. Finally, the equity raised from the MOLIHTC helps preserve affordable rental housing that is in danger of being lost from existing stock.

In FY-2024, every dollar of auth. Program tax credits returns

N/A in new personal income totaling \$65.53 million
N/A in new value-added/GSP totaling \$106.02 million
N/A in new economic output totaling \$186.10 million

Over 15 YEARS, every dollar of auth. Program tax credits returns

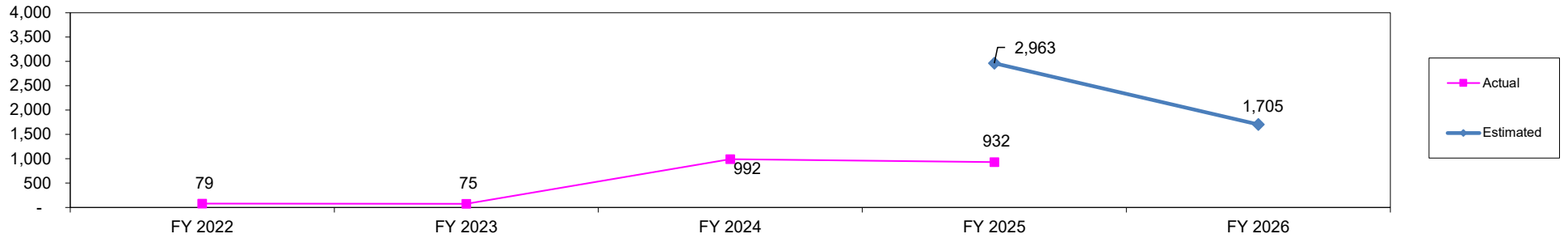
\$1.42 in new personal income totaling \$202.36 million
\$1.74 in new value-added/GSP totaling \$247.44 million
\$2.83 in new economic output totaling \$402.63 million

TAX CREDIT ANALYSIS

Program Name: Missouri Low Income Housing Tax Credit Program

PERFORMANCE MEASURE(S)

Number of Housing Units Produced/Preserved



Comments on Performance Measure:

This performance measure reflects the total number of LIHTC housing units placed in service, or credits issued each year. Total number of units placed in service, or credits issued, each year varies - dependent on the applications received for consideration, the actual number of projects approved, and the type of projects approved (preservation or new construction). Authorized developments typically take 24 months to complete construction and submit cost certification documentation to MHDC; after which they are issued LIHTCs. No LIHTCs are issued by MHDC or eligible to be redeemed by a development owner until a development is completed to MHDC requirements and ready for leasing.



BOND GUARANTEE

MISSOURI DEVELOPMENT FINANCE BOARD

PURPOSE

Purchasers of public entity revenue bonds may receive tax credits in the amount of the principal and interest due for projects approved by the Board during any tax year where a default in payment exists.

AUTHORIZATION

Section 100.297, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Public governmental entities.

PROGRAM BENEFITS/ELIGIBLE USES

The Missouri Development Finance Board may authorize a state income tax credit to the owner, or private credit enhancer, of public entity revenue bonds issued by the Board. The amount of any such credit shall be equal to the unpaid principal of and unpaid interest on such bonds in the tax year of any default in payment.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate Franchise Tax
- Ch. 148 – Bank Tax, Insurance Premium Tax, Other Financial Institution Tax

This credit's special attributes:

- Carry forward 10 years
- Assignable or transferable

APPLICATION/APPROVAL PROCEDURE

Before issuing the bonds, the Board must determine that: (1) the availability of a tax credit is a material inducement to the undertaking of the project in the State and to the sale of the bonds; and (2) the loan with respect to the project is adequately secured by security satisfactory to the Board.

Any portion of the tax credit to which any owner or private credit enhancer of a bond is entitled that exceeds the total income tax liability of such owner may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next 10 years.

CONTACT

Missouri Development Finance Board
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Jefferson City, Missouri | 65102

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Email: mdfb@ded.mo.gov | Web: www.mdfb.org



TAX CREDIT ANALYSIS

| | | | | | | | |
|--|-----------------------|---|-----------------------|---|----------------------------|--|--|
| Program Name: MDFB Bond Guarantee | | | | | | | |
| Department: Economic Development | | Contact Name & No.: Mark Stombaugh (573) 751-8479 | | | Date: January 2025 | | |
| Program Category: Redevelopment | | Type: Tax Credit | | Other: | | | |
| Statutory Authority: Section 100.297, RSMo | | Applicable Taxes: Income Tax, excluding Withholding Tax; Corporate Franchise Tax; Bank Tax; Insurance Premium Tax; Other Financial Institution Tax | | | | | |
| Tax Credit Creation Date: 1989 | | Year of Last Legislative Change: 1997 | | | | | |
| Program Description and Eligibility Requirements: The Tax Credit Bond Enhancement Program provides a tax credit enhancement on behalf of Public Entities for certain bonds. This program uses the Board's bond tax credits as collateral. Credits are <u>only redeemed</u> in the event of a default. Currently \$8,390,000 of the total is collateral for MDFB garage debt. | | | | | | | |
| Explanation of How Award is Computed: <div style="display: flex; justify-content: space-between;"> <div> Entitlement <input type="text" value="No"/> </div> <div> Discretionary <input type="text" value="Yes"/> </div> </div> They are provided as additional security for the bonds. Tax credits are computed based on inability to meet debt service on bonds after all other resources are utilized and all compliance requirements are met on an annual basis. The credit is issued for the shortfall in an annual debt service payment. | | | | | | | |
| Program Cap: Cumulative \$ <u>50 Million</u> (remainder of cumulative cap) \$ <u>48,812,870</u> Annual \$ _____ None _____ | | | | | | | |
| Cap Shared Between Programs <input type="text" value="No"/> Which Program(s)? _____ | | | | | | | |
| Explanation of Cap: A cumulative cap of \$50,000,000, the remainder \$48,812,870 that may continue to be utilized as bond enhancements expire. | | | | | | | |
| Sunset Provision: <input type="text" value="No"/> Date of Sunset _____ Date of Last Sunset Extension _____ | | | | | | | |
| Explanation of Expiration of Authority: | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | |
| Carry forward <input type="text" value="10 years"/> | | Carry Back <input type="text" value="n/a"/> | | Refundable <input type="text" value="No"/> | | Apportioned <input type="text" value="No"/> | |
| Sellable/Assignable <input type="text" value="Yes"/> | | Organizations Remit an Offset <input type="text" value="No"/> | | Additional Federal Deductions/Credits Available <input type="text" value="No"/> | | Appropriated <input type="text" value="No"/> | |
| Comments on Specific Provisions: | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | |
| Certificates Issued (#) | 0 | 0 | 0 | 0 | 0 | 0 | |
| Projects/Participants (#) | 0 | 0 | 0 | 0 | 0 | 0 | |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Amount Redeemed | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | | | | | | | |
| FY 2024 EST. Amount Outstanding | \$0 | FY 2024 EST. Amount Authorized but Unissued | | | \$8,080,000 | | |

TAX CREDIT ANALYSIS

| | | | |
|--|-----------------------------|--|---|
| Program Name: MDFB Bond Guarantee | | | |
| HISTORICAL AND PROJECTED INFORMATION | | | |
| <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 10px;"> <div style="width: 30%;"> <p>Amount Authorized</p> </div> <div style="width: 30%;"> <p>Amount Issued</p> </div> <div style="width: 30%;"> <p>Amount Redeemed</p> </div> </div> | | | |
| <div style="position: relative;"> <div style="position: absolute; left: 0; top: 0; width: 100px; font-size: 8px;"> \$100,000 \$90,000 \$80,000 \$70,000 \$60,000 \$50,000 \$40,000 \$30,000 \$20,000 \$10,000 \$0 </div> <div style="position: absolute; right: 0; top: 0; width: 100px; font-size: 8px;"> ■ FY 2022 □ FY 2023 □ FY 2024 ■ FY 2025 ■ FY 2026 </div> </div> | | | |
| Comments on Historical and Projected Information: | | | |
| BENEFIT: COST ANALYSIS (includes only state revenue impacts) | | | |
| | FY 2024 ACTIVITY | Other Fiscal Period (indicated time period) | Derivation of Benefits: No new authorizations in FY2024. Balance was reduced to coincide with principal repayment on outstanding bonds. |
| BENEFITS | | | |
| Direct Fiscal Benefits | | | |
| Indirect Fiscal Benefits | | | |
| Total | \$0 | \$0 | |
| COSTS | | | |
| Direct Fiscal Costs | | | |
| Indirect Fiscal Costs | | | |
| Total | \$0 | \$0 | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | |
| Other Benefits: | | | |
| PERFORMANCE MEASURE(S) | | | |
| Permanent New Jobs Created | | | |
| <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 10px;"> <div style="width: 20%;">FY 2022</div> <div style="width: 20%;">FY 2023</div> <div style="width: 20%;">FY 2024</div> <div style="width: 20%;">FY 2025</div> <div style="width: 20%;">FY 2026</div> </div> | | | |
| <div style="position: relative;"> <div style="position: absolute; left: 0; top: 0; width: 100px; font-size: 8px;"> 5 0 </div> <div style="position: absolute; right: 0; top: 0; width: 100px; font-size: 8px;"> ◆ Estimated ■ Actual </div> </div> | | | |
| Comments on Performance Measure: | | | |



BUILD PROGRAM

(BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT)

Provides a financial incentive for the location or expansion of large business projects. The incentives are designed to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding.

AUTHORIZATION

Section 100.700 to 100.850, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- An eligible industry in manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce must invest a minimum of \$15 million; or \$10 million for an office industry (regional, national or international headquarters, telecommunications operations, computer operations, insurance companies or credit card billing and processing centers) in an economic development project; and
- Create a minimum of one hundred new jobs for eligible employees at the economic development project or a minimum of 500 jobs if the economic development project is an office industry or a minimum of 200 new jobs if the economic development project is an office industry located within a distressed community as defined in Section 135.530, RSMo.
- Ineligible: Retail, health or professional services, intra-state relocations or replacement facilities.

PROGRAM BENEFITS/ELIGIBLE USES

- The bonds may be used to finance public or private infrastructure to support the project, or the new capital improvements of the business at the project location. Bond proceeds may not be used for working capital, inventory or other operating costs of the business or another entity.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 – Bank Tax, Insurance Premium Tax, Other Financial Institution Tax

This credit's special attributes: Refundable.

FUNDING LIMITS

The amount of bonds to be issued will be determined by the Missouri Department of Economic Development (DED) and the Missouri Development Finance Board (MDFB), based on the need for funding to initiate the project, and limited to the state's economic benefit. The minimum bond issue is \$500,000.

APPLICATION/APPROVAL PROCEDURE

Only after the acceptance of a DED proposal letter the business must submit an application to DED and MDFB for review. If the business has not received and signed a DED proposal letter, then no application can be submitted. Applications are due 15 business days prior to the first Monday of the month. DED and MDFB will review on a case-by-case basis. There can be no assurance that an application will be approved by MDFB, and no timing of any approval can be guaranteed.

REPORTING REQUIREMENTS

The business must report to MDFB the number of new jobs; the total amount of salaries and wages paid to eligible employees and investment in capital improvements, semi-annually during the initial 3-year build out phase and annually for the term of the credits.

SPECIAL PROGRAM REQUIREMENTS

The following conditions must be met for a project to be approved:

- **Sale of Bonds:** The Applicant will be required to purchase the Bonds.
- **Cooperative Effort:** The political subdivisions benefiting from the project or other local entities must commit significant local incentives relative to their economic benefit compared to the state. Such incentives may include tax abatement, discounted utility fees or others, to the extent allowed by law.
- DED and the MDFB must determine that the program is a material factor in the company's decision to initiate the project, and this is certified by the business.
- **Positive State Economic Impact:** The amount of new direct and indirect state taxes over an 8- to 15-year period, as calculated by DED, must exceed the total amount of incentives provided by the state.
- **Requirements:** New full-time (35+ hours per week) jobs in a new or expanding business (not including identical jobs filled by recalled workers, replacement jobs or jobs which previously existed in the business) are considered to be "new jobs". The business or a related taxpayer cannot have employed them during the preceding twelve months. The wages for such employees must be above the average wage for the area.
- **"Clawbacks":** If the business does not fulfill the commitments made regarding the number of new jobs or capital investment, the tax credits will be reduced proportionately. If the business does not meet the minimum capital investment or minimum number of new jobs by the end of the 3-year build out phase or an event of default under the governing agreements occurs, including with respect to the number of new jobs retained or amount of capital investment, MDFB may seek a penalty, among other remedies, equal to the amount of the tax credits received prior to that time.

CONTACT

Missouri Development Finance Board
221 Bolivar St., Suite 300 | P.O. Box 567

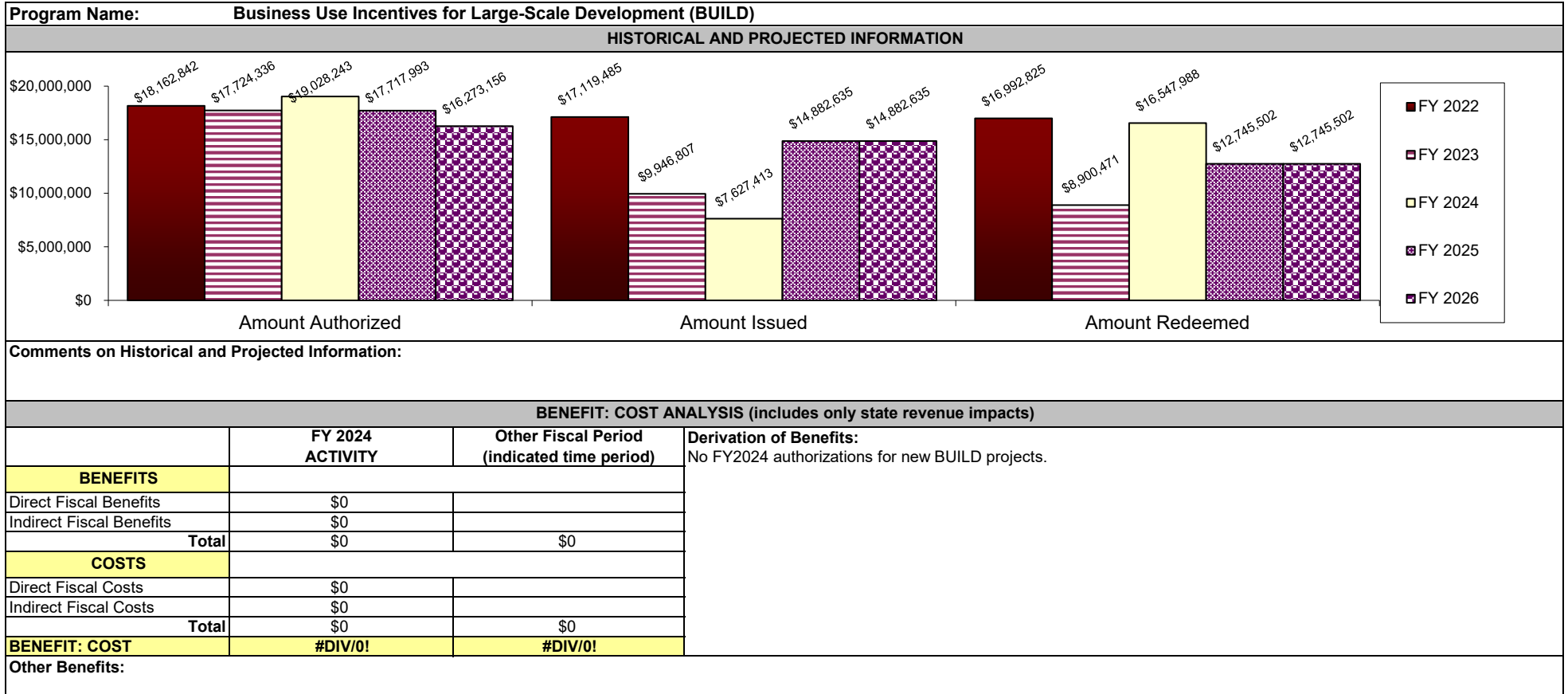
Jefferson City, MO | 65102
Phone: 573-751-8479 | Fax: 573-526-4418

Email: mdfb@ded.mo.gov | Web: www.mdfb.org

TAX CREDIT ANALYSIS

| | | | | | | | | | |
|---|----------------------------------|---|----------------------------------|---|--|---------------------------------|---------------------------------|--------------|---------------------------------|
| Program Name: Business Use Incentives for Large-Scale Development (BUILD) | | | | | | | | | |
| Department: Economic Development - Missouri Development Finance Board (MDFB) | | Contact Name & No.: Mark Stombaugh (573) 751-8579 | | | Date: January 2025 | | | | |
| Program Category: Business Recruitment | | Type: | Tax Credit | Other: | | | | | |
| Statutory Authority: Sections 100.700-100.850, RSMo | | Applicable Taxes: Income Tax, Bank Tax, Insurance Premium Tax, Other Financial Institution Tax | | | | | | | |
| Tax Credit Creation Date: 1996 | | Year of Last Legislative Change: 2018 | | | | | | | |
| Program Description and Eligibility Requirements: The incentives offered by the BUILD Missouri Program are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive. The costs are financed through the issuance by the Board of certificates (bonds or notes) the principal and interest on which will be repaid by the business. Businesses are then reimbursed for these repayments through the issuance by the Board of Missouri State income tax credits. The businesses may use these credits against taxes, which would otherwise be due, or to obtain a refund if the business has no Missouri income tax liability. All businesses that manufacture, process (including agricultural processing) or assemble products are eligible. Businesses that conduct research and development or provide services in interstate commerce are also eligible. Certain office industries are also eligible. A manufacturing business must invest a minimum of \$15 million and 100 new jobs. An office business must invest a minimum of \$10 million and 500 jobs. There are other discretionary factors. | | | | | | | | | |
| Explanation of How Award is Computed: | | Entitlement | <input type="text" value="No"/> | Discretionary | <input type="text" value="Yes"/> | | | | |
| The award is computed based on principal, interest and fees annually and limited to be no more than 5% of gross wages of each eligible employee whose job was created as a result of the project. | | | | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 25 million _____ None _____ Cap Shared Between Programs <input type="text" value="No"/> Which Program(s)? _____ | | | | | | | | | |
| Explanation of Cap: Aggregate amount of debt reduction assessments of all companies with bonds outstanding and still active shall not exceed \$25 million annually. The Authorized Amounts in the chart below are reported as the total authorized credits available to be issued to all companies during the fiscal year, not just new projects. | | | | | | | | | |
| Sunset Provision: | | <input type="text" value="No"/> | Date of Sunset _____ | | Date of Last Sunset Extension _____ | | | | |
| Explanation of Expiration of Authority: | | | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | | | |
| Carry forward | <input type="text" value="n/a"/> | Carry Back | <input type="text" value="n/a"/> | Refundable | <input type="text" value="Yes"/> | Apportioned | <input type="text" value="No"/> | Appropriated | <input type="text" value="No"/> |
| Sellable/Assignable | <input type="text" value="No"/> | Organizations Remit an Offset | <input type="text" value="No"/> | Additional Federal Deductions/Credits Available | | <input type="text" value="No"/> | | | |
| Comments on Specific Provisions: | | | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | | | |
| Certificates Issued (#) | 44 | 41 | 26 | 7 | 41 | 37 | | | |
| Projects/Participants (#) | 43 | 37 | 43 | 38 | 38 | 34 | | | |
| Amount Authorized | \$18,162,842 | \$17,724,336 | \$19,028,243 | \$18,831,408 | \$17,717,993 | \$16,273,156 | | | |
| Amount Issued | \$17,119,485 | \$9,946,807 | \$7,627,413 | \$3,495,564 | \$14,882,635 | \$14,882,635 | | | |
| Amount Redeemed | \$16,992,825 | \$8,900,471 | \$16,547,988 | \$4,018,751 | \$12,745,502 | \$12,745,502 | | | |
| | | | | | | | | | |
| FY 2024 EST. Amount Outstanding | | \$19,343,949 | | FY 2024 EST. Amount Authorized but Unissued | | \$166,979,775 | | | |

TAX CREDIT ANALYSIS

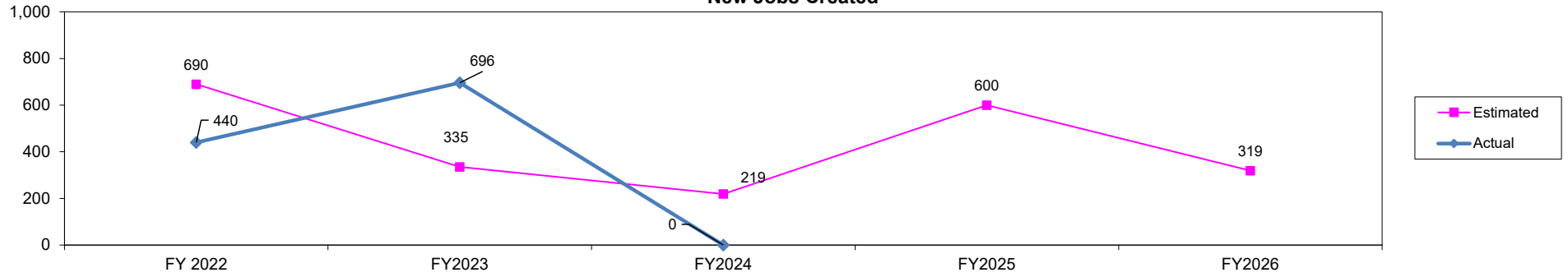


TAX CREDIT ANALYSIS

Program Name: Business Use Incentives for Large-Scale Development (BUILD)

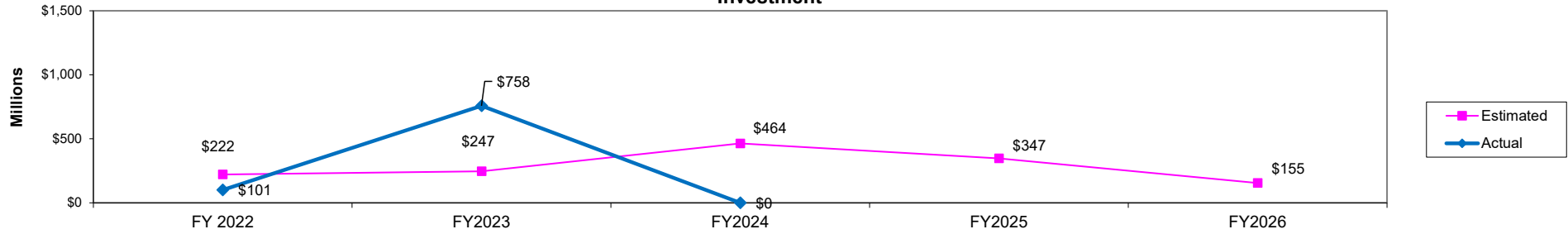
PERFORMANCE MEASURE(S)

New Jobs Created



Comments on Performance Measure:

Investment



Comments on Performance Measure:



TAX CREDIT CONTRIBUTION PROGRAM

(ALSO KNOWN AS THE INFRASTRUCTURE TAX CREDIT PROGRAM)

MISSOURI DEVELOPMENT FINANCE BOARD

PURPOSE

Assist in the funding of capital improvement costs for qualified public facilities and public infrastructure projects within the state of Missouri.

AUTHORIZATION

Section 100.286(6), RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Public Entities in Missouri.

ELIGIBILITY CRITERIA

The Board will only consider applications submitted by a Public Entity and, in the case of any Public Entity created on behalf of and for the benefit of another governmental entity, the written approval of the application by such entity.

PROGRAM BENEFITS/ELIGIBLE USES

The Missouri Development Finance Board is authorized to grant a tax credit equal to 50% of contributions received from a taxpayer. The contributed funds are granted to local governments, state agencies or used by the MDFB to finance infrastructure improvements needed to facilitate an approved project.

“Infrastructure facilities” means the highways, streets, bridges, water supply and distribution systems; mass transportation facilities and equipment; telecommunication facilities, jails and prisons; sewers and sewage treatment facilities; wastewater treatment facilities; airports, railroads, reservoirs, dams and waterways in this state; acquisition of blighted real estate and the improvements thereon; demolition of existing structures and preparation of sites in anticipation of development; public facilities and any other improvements provided by any form of government or development agency. This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 – Bank tax, Insurance premium tax, other Financial institution tax

This credit’s special attributes:

- Carry-forward 5 years
- Sellable or transferable
- All credits must be redeemed within 10 years

FUNDING LIMITS

The amount of credits approved in a calendar year cannot exceed \$10 million unless authorized by specific agency directors. Under no circumstances shall the amount approved exceed \$25 million.

APPLICATION/APPROVAL PROCEDURE

Applications are submitted to the MDFB for staff review and recommendation to the Board throughout the year. Annual deadlines established each calendar year.

SPECIAL PROGRAM REQUIREMENTS

Discretionary program and credits.

CONTACT

Missouri Development Finance Board
221 Bolivar St., Suite 300 | P.O. Box 567

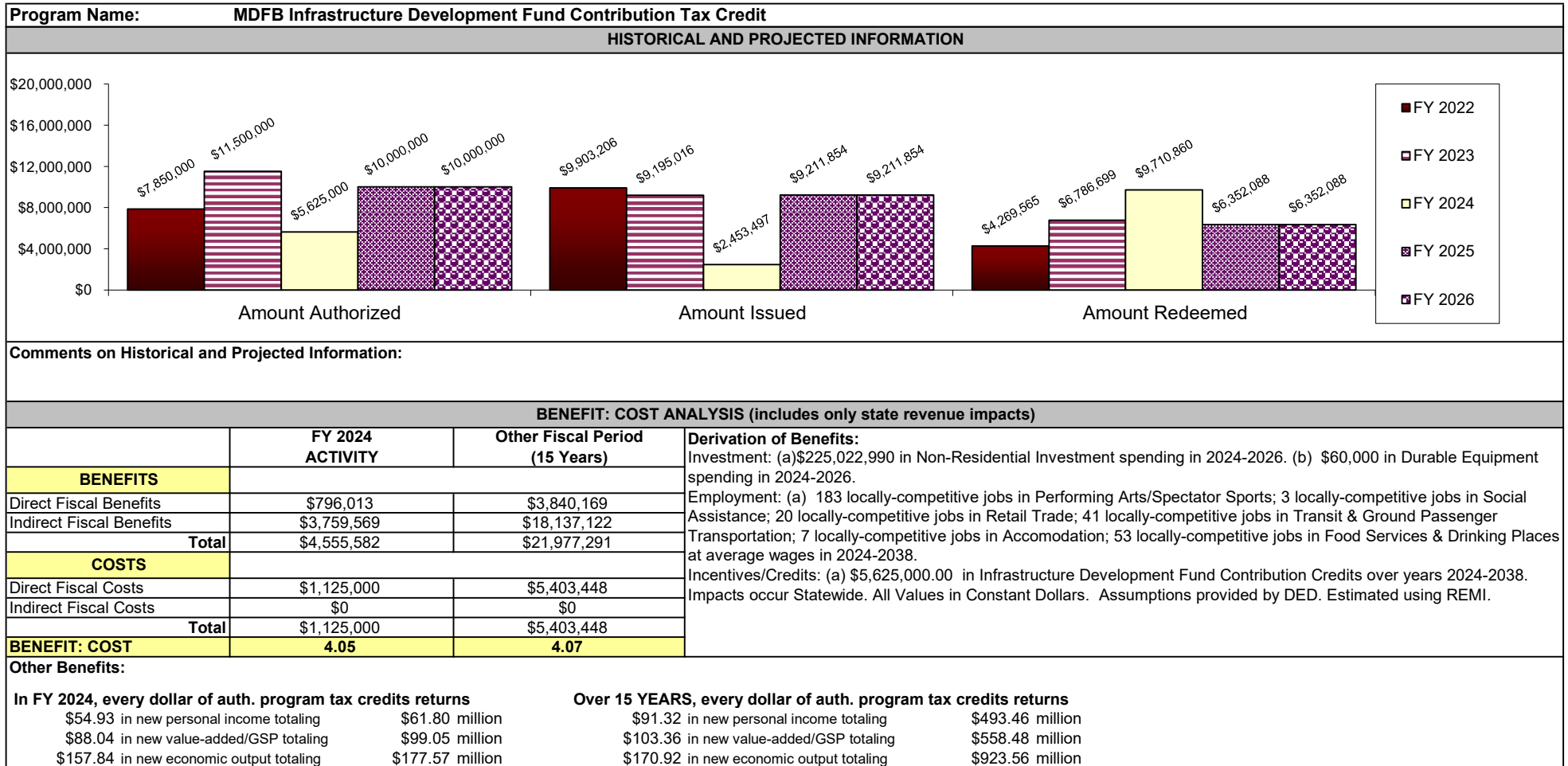
Jefferson City, Missouri | 65102
Phone: 573-751-8479 | Fax: 573-526-4418
Email: mdfb@ded.mo.gov | Web: www.mdfb.org



TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|--|---|---|----------------------------|--|
| Program Name: MDFB Infrastructure Development Fund Contribution Tax Credit | | | | | | |
| Department: Economic Development | | Contact Name & No.: Mark Stombaugh (573) 751-8479 | | | Date: January 2025 | |
| Program Category: Redevelopment | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Section 100.286, RSMo | | Applicable Taxes: Income Tax, excluding Withholding Tax; Corporate Franchise Tax; Bank Tax; Insurance Premium Tax; Other Financial Institutions Tax | | | | |
| Tax Credit Creation Date: 1985 | | Year of Last Legislative Change: 2009 | | | | |
| Program Description and Eligibility Requirements: Through this program, the Missouri Development Finance Board (MDFB) is authorized to grant tax credits equal to fifty percent of contributions. Contributions are used to pay the cost of infrastructure construction. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="text" value="No"/> | | Discretionary <input type="text" value="Yes"/> | | |
| Tax Credit is 50% of contribution received from taxpayer for specific approved project. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ (See Below) _____ None _____ Cap Shared Between Programs <input type="text" value="No"/> Which Program(s)? _____ | | | | | | |
| Explanation of Cap: MDfB can authorize a maximum of \$10 million in tax credits during any calendar year. The statutory limit can be increased an additional \$15 million with the consent of the Directors of Department of Economic Development, Department of Revenue, and the Commissioner of Administration. Maximum authorization not to exceed \$25 million. During the last three calendar years the authorized tax credits were 2021-\$4.8 million, 2022-\$10 million, and 2023-\$10 million. | | | | | | |
| Sunset Provision: | | <input type="text" value="No"/> | | Date of Sunset _____ | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="text" value="5 years"/> | | Carry Back <input type="text" value="n/a"/> | | Refundable <input type="text" value="No"/> | | Apportioned <input type="text" value="No"/> |
| Sellable/Assignable <input type="text" value="Yes"/> | | Organizations Remit an Offset <input type="text" value="No"/> | | Additional Federal Deductions/Credits Available <input type="text" value="No"/> | | Appropriated <input type="text" value="No"/> |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 150 | 140 | 104 | 51 | 133 | 133 |
| Projects/Participants (#) | 6 | 6 | 3 | 5 | 8 | 8 |
| Amount Authorized | \$7,850,000 | \$11,500,000 | \$5,625,000 | \$8,000,000 | \$10,000,000 | \$10,000,000 |
| Amount Issued | \$9,903,206 | \$9,195,016 | \$2,453,497 | \$5,588,174 | \$9,211,854 | \$9,211,854 |
| Amount Redeemed | \$4,269,565 | \$6,786,699 | \$9,710,860 | \$1,522,439 | \$6,352,088 | \$6,352,088 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$18,927,537 | | FY 2024 EST. Amount Authorized but Unissued | | \$12,279,379 | |
| | | | | | | |

TAX CREDIT ANALYSIS

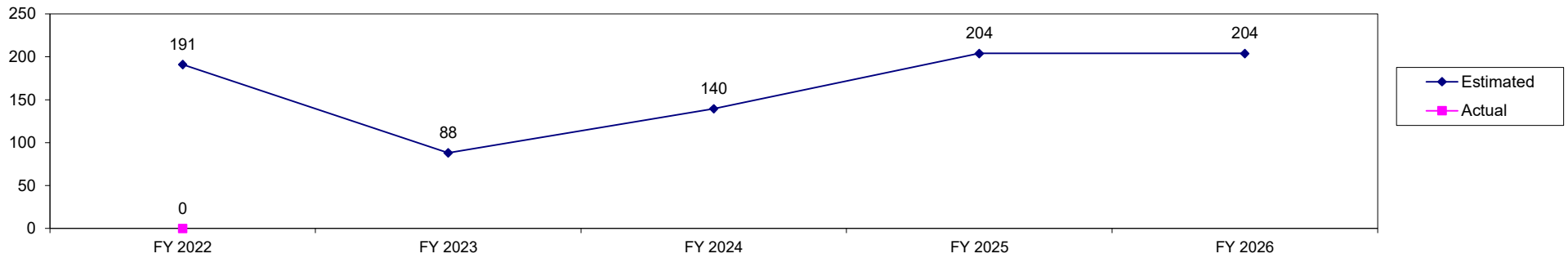


TAX CREDIT ANALYSIS

Program Name: MDFB Infrastructure Development Fund Contribution Tax Credit

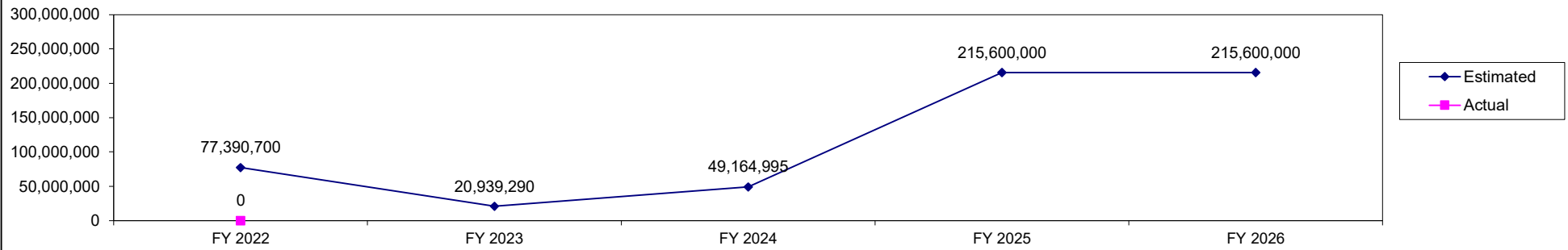
PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure:

Estimated Investment



Comments on Performance Measure:



MISSOURI ONE START Community College Training Fund

**Ensuring Businesses have the Right Workforce,
With the Right Skillset, at the Right Time**

WHAT IT IS

Missouri One Start Community College Training Fund (RSMo. Section 620.809) provides training solutions to support specific workforce needs of eligible companies. This training program helps Missouri's large businesses stay competitive by providing resources to train new and existing employees.

HOW IT WORKS

Missouri One Start Community College Training Fund generates funds by diverting a portion of a new or existing employee state withholding tax (approximately 2%) into a designated training account to reimburse eligible training costs that are normally associated with large attraction or expansion projects. The program is administered by the local community college with oversight by Missouri One Start staff.

PROGRAM BENEFITS

Workers can receive training provided by in-house staff, preferred training vendors, or one of our training experts, located within a community college. Missouri One Start works directly with a business to develop and deliver customized training in process improvement, quality initiatives, team building leadership, or specific technical skills such as PLC, robotics and welding.

WHO IS ELIGIBLE

Large companies either moving to the state or existing companies currently in the state that have at least 100 full-time employees and have maintained at least 100 full-time employees at the project facility for the calendar year preceding the application.

- Existing companies must be making a substantial new capital investment, over a period of two years, that is **greater than 5x the funding awarded**, and:
 - The company must be making a substantial investment in technology requiring the upgrade of employee skills, or
 - The company must be located in a border county of Missouri which represents a potential risk of relocating from the state, or
 - The company must be determined to be at substantial risk of relocating from the state.

ELIGIBLE APPLICANTS INCLUDE

Aerospace, Bioscience, Manufacturing, Headquarter locations, Logistics & Distribution, Information Technology and other businesses engaged in interstate commerce.

Companies creating new jobs in Missouri or retraining existing employees as a result of substantial new capital investments.

Companies must offer health insurance to all full-time employees in Missouri and pay at least 50% of the premium.

Training assistance for full-time, permanent employees (working an average of at least 35 hours per week) earning competitive base wages and low turnover rates. Other eligibility criteria may apply.

Funding is contingent upon applicable appropriation and availability of funds.

APPLICATION

Missouri One Start partners with a network of training experts located within a community college who assist companies in utilizing Missouri One Start. With the assistance of the network partner, an online application is completed and submitted to the Missouri One Start Division. The request must be received by the Missouri One Start Division before training costs are incurred and jobs are created or capital investments are made. For more information, contact Missouri One Start at 573-526-9239.

CONTACT

Missouri Department of Economic Development

Missouri One Start Division

301 West High Street, Room 720 | P.O. Box

118 Jefferson City, MO | 65102

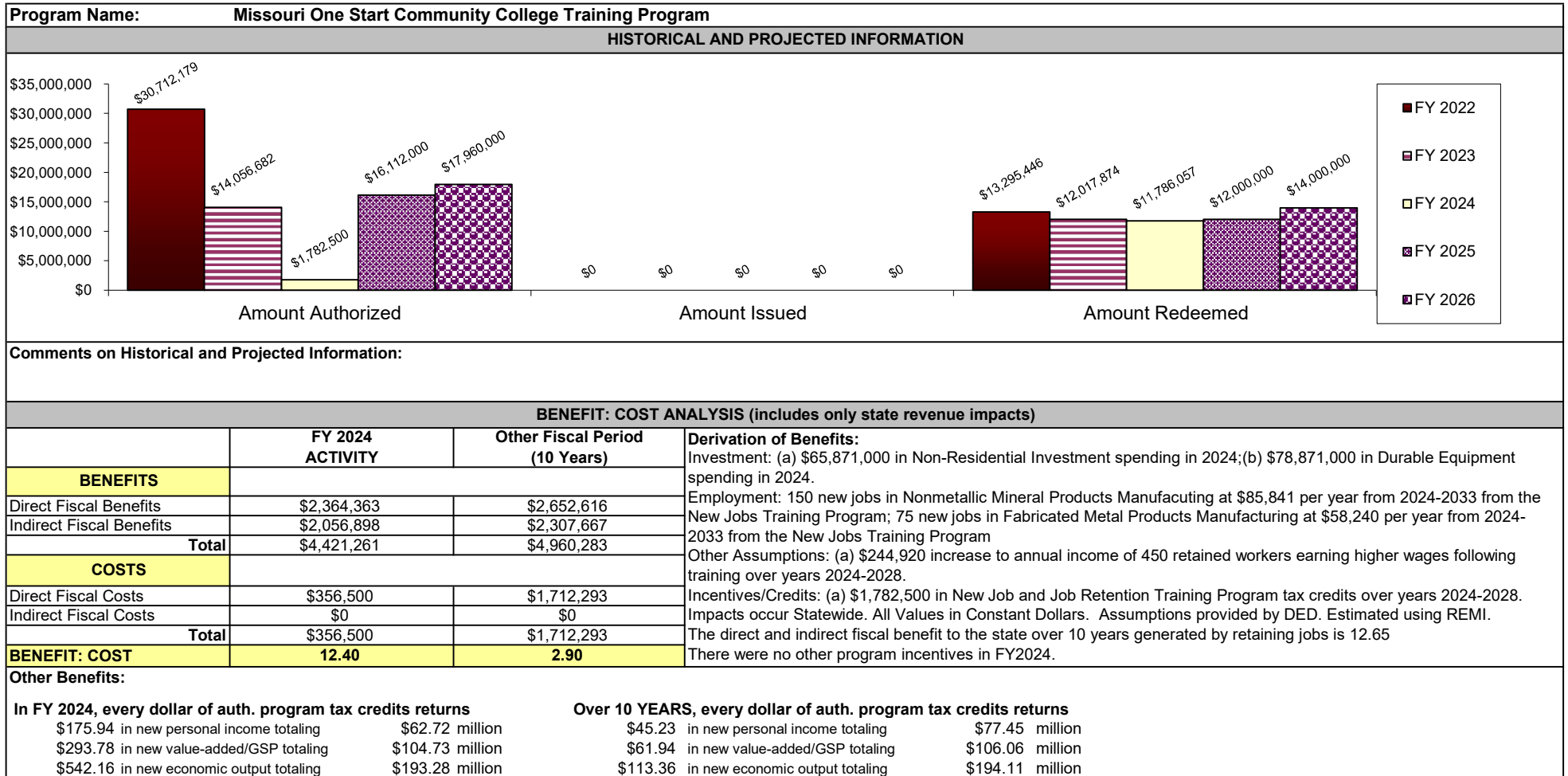
Phone: 573-526-9239

Web: www.missourionestart.com

TAX CREDIT ANALYSIS

| | | | | | | |
|---|----------------------------------|--|----------------------------------|--|---------------------------------|---|
| Program Name: Missouri One Start Community College Training Program | | | | | | |
| Department: Economic Development | | Contact Name & No.: Kristie Davis (573) 522-4019 | | | Date: January 2025 | |
| Program Category: Training and Educational | | Type: | | Other (specify) Other: Appropriation based on employer withholding | | |
| Statutory Authority: Sections 620.800-620.809, RSMo | | Applicable Taxes: N/A; This is an appropriation of funds, not a credit. | | | | |
| Tax Credit Creation Date: 2004 | | Year of Last Legislative Change: 2022 | | | | |
| Program Description and Eligibility Requirements: Combines funds for two training programs: New Jobs Training Program (NJTP) and Job Retention Training Program (JRTP). The NJTP provides assistance to eligible companies to train workers in newly created jobs and is suited for large attraction and expansion projects. The JRTP is suited for large retention projects and provides training to upskill existing workers. Eligible companies participating in JRTP must be making a large capital investment or be determined to represent a substantial risk of relocation. Both programs are administered locally through the community colleges and funds for these programs are generated by deferring a portion of the state employer withholding tax - approximately 2% - on the newly created or retained jobs in the project. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="text" value="No"/> | | Discretionary <input type="text" value="Yes"/> | | |
| A formula using the number of jobs to be created or retained and the average annual salary of workers in the new or retained jobs calculates the amount that can be generated by diverting a portion of the employer withholding tax (approximately 2%). Discretionary measures such as review of types of industry, occupations, and wage rates are considered before approving a project. | | | | | | |
| Program Cap: Annual Appropriation <u>\$27 million</u> (remainder of annual appropriation) <u>\$15,213,943</u> Total Active Projects <u>\$39,725,867</u> (remainder of outstanding Active Projects) <u>\$12,177,938</u> | | | | | | |
| Cap Shared Between Programs <input type="text" value="No"/> | | Which Program(s)? _____ | | | | |
| Explanation of Cap: There is a statewide annual budget appropriation of \$27 million on the amount of outstanding debt there can be at any given time in the fiscal year. These figures change monthly as debt is retired on existing projects and new projects are issued. | | | | | | |
| Sunset Provision: | | <input type="text" value="Yes"/> | | Date of Sunset <u>7/1/2030</u> | | Date of Last Sunset Extension <u>8/28/2018</u> |
| Explanation of Expiration of Authority: | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward | <input type="text" value="n/a"/> | Carry Back | <input type="text" value="n/a"/> | Refundable | <input type="text" value="No"/> | Apportioned |
| | | | | | | <input type="text" value="No"/> |
| | | | | | | Appropriated |
| | | | | | | <input type="text" value="Yes"/> |
| Sellable/Assignable | <input type="text" value="No"/> | Organizations Remit an Offset | <input type="text" value="No"/> | Additional Federal Deductions/Credits Available | | |
| | | | | <input type="text" value="No"/> | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| 2019: SB68 | | | | | | |
| 2022: HB2400 | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Total Active Projects | 28 | 31 | 28 | 23 | 30 | 36 |
| New Projects in FY | 14 | 6 | 2 | 1 | 7 | 8 |
| New Amount Authorized | \$30,712,179 | \$14,056,682 | \$1,782,500 | \$552,000 | \$16,112,000 | \$17,960,000 |
| Annual Amount Redeemed | \$13,295,446 | \$12,017,874 | \$11,786,057 | \$5,608,714 | \$12,000,000 | \$14,000,000 |
| | | | | | | |
| FY 2024 Outstanding for Active Projects | \$12,177,938 | FY 2024 Amount Appropriated but Unissued | | \$15,213,943 | | |

TAX CREDIT ANALYSIS

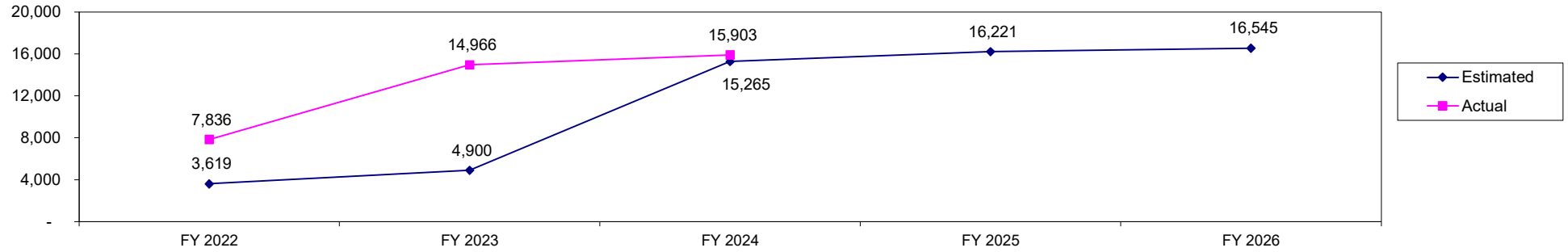


TAX CREDIT ANALYSIS

Program Name: Missouri One Start Community College Training Program

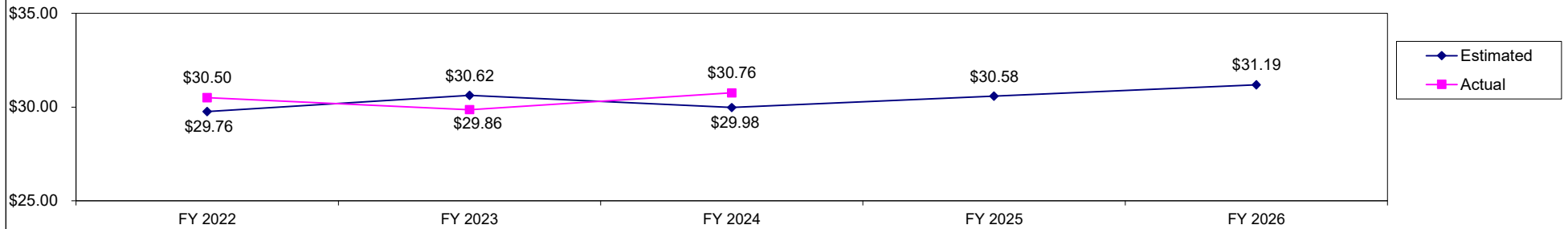
PERFORMANCE MEASURE(S)

Workers Trained



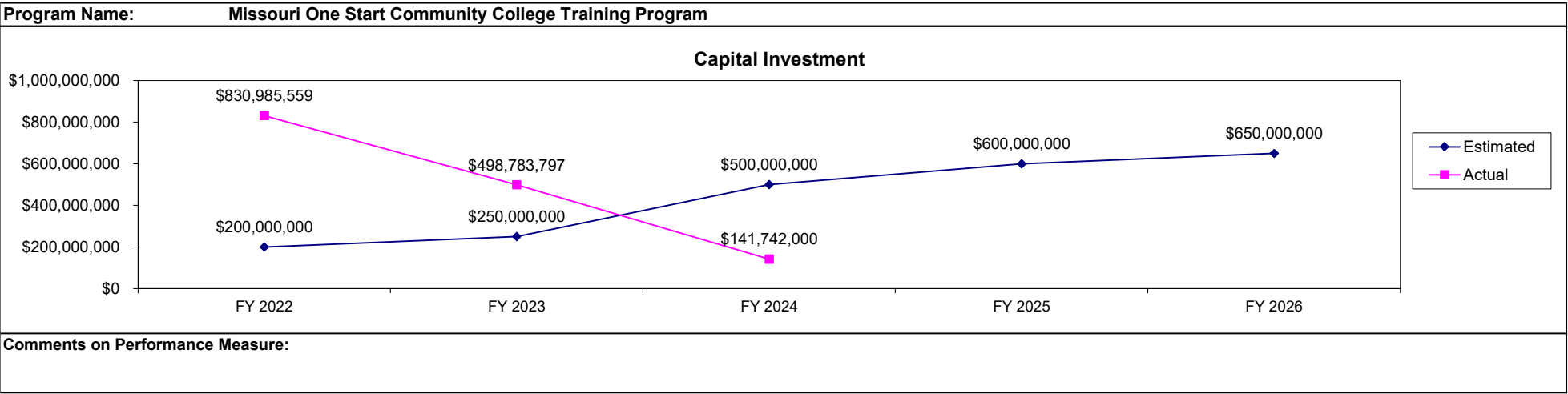
Comments on Performance Measure:

Average Wage



Comments on Performance Measure:

TAX CREDIT ANALYSIS





INTERN AND APPRENTICE RECRUITMENT ACT TAX CREDIT PROGRAM

The Intern and Apprentice Recruitment Act (IARA) allows eligible taxpayers to claim a tax credit against the taxpayer's state tax liability for hiring interns or apprentices, provided eligibility criteria is met.

AUTHORIZATION

Section 135.457, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

The Program is available to an eligible taxpayer who is an individual, firm, partner in a firm, corporation, partnership, shareholder in an S corporation, or member of a limited liability company subject to the state income tax imposed under chapter 143, 147, 148, or 153RSMo (excluding the withholding tax imposed under sections 143.191 to 143.265RSMo) and that engages in business in the apprentice's or intern's chosen field of study.

PROGRAM BENEFITS/ELIGIBLE USES

The Program authorizes an income tax credit for eligible applicants who hire an intern or apprentice. The total number of interns or apprentices employed for the tax year that the credit is claimed must exceed the average number of interns or apprentices employed over the previous 3 years.

- Interns must work a minimum of 60 hours per month for 2 consecutive months during the tax year for which the credit is claimed.
- Apprentices must be participating in a qualified US Department of Labor apprenticeship program, must have completed one year in the apprenticeship program, must complete 144 hours of required technical instruction during each year of the apprenticeship, and must complete a minimum of 2,000 hours of on-the-job training throughout the entire apprenticeship.

FUNDING LIMITS

For tax years beginning on or after January 1, 2024, the IARA authorizes an income tax credit for eligible applicants who hire an intern or apprentice. The tax credit shall be equal to \$1,500 for each intern or apprentice hired at a pay rate equal to or greater than the minimum wage. The total amount of tax credits for a taxpayer under this program shall not exceed \$9,000 in any given tax year. The total amount of tax credits allowed to all applicants under this program shall not exceed \$1 million per year.

If the total amount of tax credits applied for in a year exceeds \$1 million dollars, priority shall be given to applicants that have been in business for less than five years, with the remaining tax credits to be distributed based on the order in which the tax credits are claimed.

APPLICATION/APPROVAL PROCEDURE

The Intern and Apprentice Recruitment Act will have a two-phase application process:

- Phase One –Preliminary IARA Application (July 1-November 15); and
- Phase Two-Full IARA Application (January 1 – February 15).

Applicants will need to complete applications for both phases to be considered for a tax credit under this program. DED will issue tax credit certificates after approving of the Full IARA Application and receiving the issuance fee from the applicant.

REPORTING REQUIREMENTS

The Department of Economic Development will prepare an annual report containing statistical information regarding the tax credits issued for the previous tax year, including the total amount of tax credits claimed in the tax year, the average number of tax credits claimed per taxpayer, the total number of interns claimed, the total number of apprentices claimed, and the total amount expended on the program.

SPECIAL PROGRAM REQUIREMENTS

Tax credits issued through this program are not refundable and shall not be assigned, transferred, sold, or otherwise conveyed. Tax credits claimed may not be carried forward to any subsequent tax year.

CONTACT

Missouri Department of Economic Development

Missouri One Start Division

301 West High Street, Suite 720 | P.O. Box 478

Jefferson City, MO | 65102

Phone: 573-526-9239

E-mail: IARA@missourionestart.com | Web: ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | |
|---|-----------------------|---|---|-------------------------------|----------------------------|------------------------------|
| Program Name: Intern and Apprentice Recruitment Tax Credit | | | | | | |
| Department: Economic Development | | Contact Name & No.: Kristie Davis (573) 522-4019 | | | Date: January 2025 | |
| Program Category: Training and Educational | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Section 135.457, RSMo | | Applicable Taxes: Income Tax | | | | |
| Tax Credit Creation Date: 2023 | | Year of Last Legislative Change: | | | | |
| Program Description and Eligibility Requirements: Authorizes an income tax credit to eligible taxpayers who hire an intern or apprentice at a pay rate equal to or greater than the minimum wage, with additional requirements. | | | | | | |
| Explanation of How Award is Computed: <div style="display: flex; justify-content: space-between;"> <div> Entitlement <input type="checkbox"/> Yes </div> <div> Discretionary <input type="checkbox"/> No </div> </div> <p>The tax credit shall be equal to \$1,500 for each intern or apprentice hired at a pay rate equal to or greater than the minimum wage, provided that the number of interns and apprentices employed during the tax year exceeds the average number of interns and apprentices employed by the applicant for the previous three years, and further provided that the interns and apprentices work a certain number of hours, as described in the statute (§135.457.3(2) & (3)). When credits sought exceed cap, priority shall be given to taxpayers that have been in business for less than five years, with the remaining tax credits to be distributed based on the order in which they are claimed.</p> | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 1 Million _____ None _____ | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | |
| Explanation of Cap: Also, no taxpayer can claim more than \$9,000 in tax credits in a given tax year. | | | | | | |
| Sunset Provision: <input type="checkbox"/> Yes Date of Sunset 12/31/2029 Date of Last Sunset Extension _____ | | | | | | |
| Explanation of Expiration of Authority: Sunsets on December 31, 2029; terminates September 1, 2030 | | | | | | |
| Specific Provisions: (if applicable) <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> Carry forward <input type="checkbox"/> n/a Carry Back <input type="checkbox"/> n/a </div> <div> Refundable <input type="checkbox"/> No </div> <div> Apportioned <input type="checkbox"/> No </div> <div> Appropriated <input type="checkbox"/> No </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> Sellable/Assignable <input type="checkbox"/> No </div> <div> Organizations Remit an Offset <input type="checkbox"/> No </div> <div> Additional Federal Deductions/Credits Available <input type="checkbox"/> No </div> </div> | | | | | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Tax Certificates Issued (#) | 0 | 0 | 0 | 0 | 200 | 300 |
| Company Projects (#) | 0 | 0 | 0 | 0 | 50 | 75 |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$300,000 | \$450,000 |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$300,000 | \$450,000 |
| Amount Redeemed | \$0 | \$0 | \$0 | \$0 | \$300,000 | \$450,000 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$1,000,000 | | FY 2024 EST. Amount Authorized but Unissued | | \$1,000,000 | |

TAX CREDIT ANALYSIS

| Program Name: Intern and Apprentice Recruitment Tax Credit | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-----------------------------|--|---|-------------|-----------|-----------|---------|---------|---------|-------------------|-----|-----|---------|-----------|-----------|---------------|-----|-----|---------|-----------|-----------|-----------------|-----|-----|-----|-----------|-----------|
| HISTORICAL AND PROJECTED INFORMATION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="margin-top: 10px; width: 100%; text-align: center;"> <caption>Amount Authorized, Issued, and Redeemed</caption> <thead> <tr> <th>Category</th> <th>FY 2022</th> <th>FY 2023</th> <th>FY 2024</th> <th>FY 2025</th> <th>FY 2026</th> </tr> </thead> <tbody> <tr> <td>Amount Authorized</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$300,000</td> <td>\$450,000</td> </tr> <tr> <td>Amount Issued</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$300,000</td> <td>\$450,000</td> </tr> <tr> <td>Amount Redeemed</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$300,000</td> <td>\$450,000</td> </tr> </tbody> </table> | | | | Category | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Amount Authorized | \$0 | \$0 | \$0 | \$300,000 | \$450,000 | Amount Issued | \$0 | \$0 | \$0 | \$300,000 | \$450,000 | Amount Redeemed | \$0 | \$0 | \$0 | \$300,000 | \$450,000 |
| Category | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | | | | | | | | | | | | | | | | | | | | | | |
| Amount Authorized | \$0 | \$0 | \$0 | \$300,000 | \$450,000 | | | | | | | | | | | | | | | | | | | | | | |
| Amount Issued | \$0 | \$0 | \$0 | \$300,000 | \$450,000 | | | | | | | | | | | | | | | | | | | | | | |
| Amount Redeemed | \$0 | \$0 | \$0 | \$300,000 | \$450,000 | | | | | | | | | | | | | | | | | | | | | | |
| Comments on Historical and Projected Information: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BENEFIT: COST ANALYSIS (includes only state revenue impacts) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | FY 2024 ACTIVITY | Other Fiscal Period (indicated time period) | Derivation of Benefits: No authorizations for FY2024. | | | | | | | | | | | | | | | | | | | | | | | | |
| BENEFITS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Direct Fiscal Benefits | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indirect Fiscal Benefits | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| COSTS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Direct Fiscal Costs | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indirect Fiscal Costs | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Benefits: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PERFORMANCE MEASURE(S) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Number of Intern Claimed | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="margin-top: 10px; width: 100%; text-align: center;"> <caption>Total Number of Intern Claimed</caption> <thead> <tr> <th>Fiscal Year</th> <th>Actual</th> <th>Estimated</th> </tr> </thead> <tbody> <tr> <td>FY 2022</td> <td>0</td> <td></td> </tr> <tr> <td>FY 2023</td> <td>0</td> <td></td> </tr> <tr> <td>FY 2024</td> <td>0</td> <td></td> </tr> <tr> <td>FY 2025</td> <td></td> <td>100</td> </tr> <tr> <td>FY 2026</td> <td></td> <td>150</td> </tr> </tbody> </table> | | | | Fiscal Year | Actual | Estimated | FY 2022 | 0 | | FY 2023 | 0 | | FY 2024 | 0 | | FY 2025 | | 100 | FY 2026 | | 150 | | | | | | |
| Fiscal Year | Actual | Estimated | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2022 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2023 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2024 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2025 | | 100 | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2026 | | 150 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Comments on Performance Measure: | | | | | | | | | | | | | | | | | | | | | | | | | | | |



ADVANCED INDUSTRIAL MANUFACTURING ZONES ACT

PURPOSE

Establishes the Port Authority AIM Zone Fund consisting of 50% of the state withholding tax from new jobs within the zone after development or redevelopment has begun. The money in the fund must be used for expenses to continue expanding, developing, and redeveloping zones identified by the port authority board of commissioners.

AUTHORIZATION

Section 68.075

ELIGIBLE AREAS

An area identified through a resolution passed by the port authority board of commissioners that is being developed or redeveloped and located in the authority's jurisdiction with boundaries determined by the authority.

ELIGIBLE APPLICANTS

Any Missouri business subject to state tax withholdings imposed by sections 143.191 to 143.265 is eligible to participate in the program.

ELIGIBILITY CRITERIA

To be eligible for the retention of tax withholdings there must be an increase in the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment.

New employees must be paid at or above state average wage.

PROGRAM BENEFITS/ELIGIBLE USES

The program provides for 50% of the state tax withholdings on new jobs located in the zone to be deposited into the Port Authority AIM Zone Fund for the purpose of continuing to expand, develop, and redevelop AIM zones identified by the port authority and may be used for managerial, engineering, legal, research, promotion, planning, satisfaction of bonds, and any other expenses.

FUNDING LIMITS

No more than 10% of the total amount collected within the zones of a port authority may be appropriated by the legislature for the administration of a port authority. The authority must approve any projects and disperse money in the fund.

APPLICATION PROCEDURE/APPROVAL

1. Applicant sends a Notice of Intent (NOI) to Missouri Department of Revenue (DOR).
2. Port authority works with company(s) to locate in an AIM Zone.
3. Company moves in an AIM Zone and creates new jobs.
4. Company works with Port Authority to "certify" new jobs and sends request to DOR.
5. DOR will confirm new jobs created.
6. The Port Authority will work with the applicant to submit Form MO-AIM to DOR using the same frequency that is used to file Employer's Return of Income Taxes Withheld (Form MO-941).
7. DOR will divert funding to the AIM Zone fund.
8. Port Authority receives the funding.
9. The Port Authority board of commissioners shall file an annual report indicating the established AIM zones with the Department of Revenue.
10. The Port Authority shall submit an annual budget for the funds to the Department of Economic Development explaining how and when such money will be spent.

SPECIAL PROGRAM REQUIREMENTS

No job that was created prior to the date of the NOI shall be deemed a new job.

No AIM zone may be established after August 28, 2030. Any AIM zone created prior to that date shall continue to exist and be coterminous with the retirement of all debts incurred under the fund. No debts may be incurred or reauthorized using AIM zone revenue after August 28, 2030.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Solutions
Development Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102

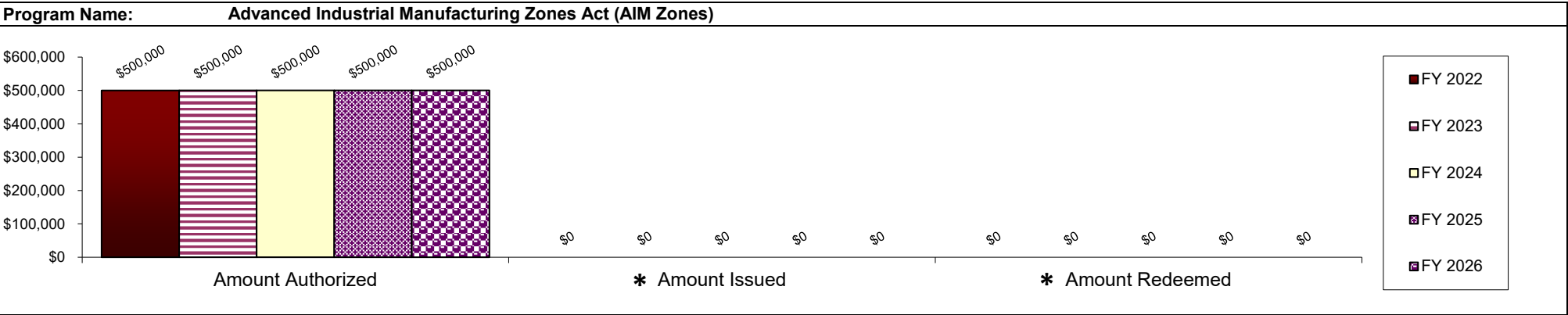
Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: reddevelopment@ded.mo.gov • Web: www.ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | | | | |
|--|------------------------------|---|---------------------------------|---|--|------------------------------|-----------------------------|--------------|-----------------------------|
| Program Name: Advanced Industrial Manufacturing Zones Act (AIM Zones) | | | | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | | | | |
| Program Category: Redevelopment | | Type: | Other (specify) | Other: Refund of withholding tax of new jobs | | | | | |
| Statutory Authority: Section 68.075, RSMo | | Applicable Taxes: State Tax Withholdings | | | | | | | |
| Tax Credit Creation Date: 2016 | | Year of Last Legislative Change: 2021 | | | | | | | |
| Program Description and Eligibility Requirements: This program diverts withholding taxes from new job creation in established AIM zones to the port authority. An AIM zone may be established through a resolution passed by the port authority board of commissioners for an area in the authority's jurisdiction. Funds must be used to expand, develop, and redevelop the AIM zone. | | | | | | | | | |
| Explanation of How Award is Computed: | | Entitlement | <input type="checkbox"/> Yes | Discretionary | <input type="checkbox"/> No | | | | |
| Benefits are 50% of the state withholding tax from new job creation by Missouri businesses subject to state tax withholdings and located in the AIM Zone. There must be an increase in the number of full-time employees for facilities, exceeding the established base employment for each facility. | | | | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/> X | | | | | | | | | |
| Cap Shared Between Programs | | <input type="checkbox"/> No | Which Program(s)? _____ | | | | | | |
| Explanation of Cap: NA | | | | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes | Date of Sunset 8/28/2030 | | Date of Last Sunset Extension 8/28/2021 | | | | |
| Explanation of Expiration of Authority: No AIM Zone may be established after August 28, 2030. Any AIM zone created prior to that date shall continue to exist and be coterminous with the retirement of all debts incurred under subsection 4 of this section. No debts may be incurred or reauthorized using AIM zone revenue after August 28, 2030. | | | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | | | |
| Carry forward | <input type="checkbox"/> n/a | Carry Back | <input type="checkbox"/> n/a | Refundable | <input type="checkbox"/> No | Apportioned | <input type="checkbox"/> No | Appropriated | <input type="checkbox"/> No |
| Sellable/Assignable | <input type="checkbox"/> No | Organizations Remit an Offset | <input type="checkbox"/> No | Additional Federal Deductions/Credits Available | | | <input type="checkbox"/> No | | |
| Comments on Specific Provisions: | | | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | | | | |
| 8/28/2021: SB 5 | | | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | | | |
| Projects (#) | 2 | 2 | 2 | 2 | 2 | 2 | | | |
| Total Projects (#) | 11 | 14 | 14 | 12 | 12 | 12 | | | |
| Amount Authorized | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | | | |
| Amount Refunded/Redeemed | * | * | * | \$0 | \$0 | \$0 | | | |
| | | | | | | | | | |
| FY 2024 EST. Amount Outstanding | | N/A | | FY 2024 EST. Amount Authorized but Unissued | | N/A | | | |
| HISTORICAL AND PROJECTED INFORMATION | | | | | | | | | |

TAX CREDIT ANALYSIS



Comments on Historical and Projected Information: The Department of Revenue oversees diversions to and refunds of eligible withholdings through the AIM Zone fund. DED's role in the program's performance is to receive the annual budget.

**Data is retained by the Department of Revenue and is kept confidential to protect privacy due to the limited number of projects receiving benefits in the given year, pursuant to Section 32.057 RSMo.*

| BENEFIT: COST ANALYSIS (includes only state revenue impacts) | | | |
|--|---------------------|--|--|
| | FY 2024 ACTIVITY | Other Fiscal Period (indicated time period) | Derivation of Benefits: *Data necessary for analysis is retained by the Department of Revenue and is kept confidential to protect privacy, pursuant to Section 32.057 RSMo. |
| BENEFITS | | | |
| Direct Fiscal Benefits | | | |
| Indirect Fiscal Benefits | | | |
| Total | \$0 | \$0 | |
| COSTS | | | |
| Direct Fiscal Costs | | | |
| Indirect Fiscal Costs | | | |
| Total | \$0 | \$0 | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | |

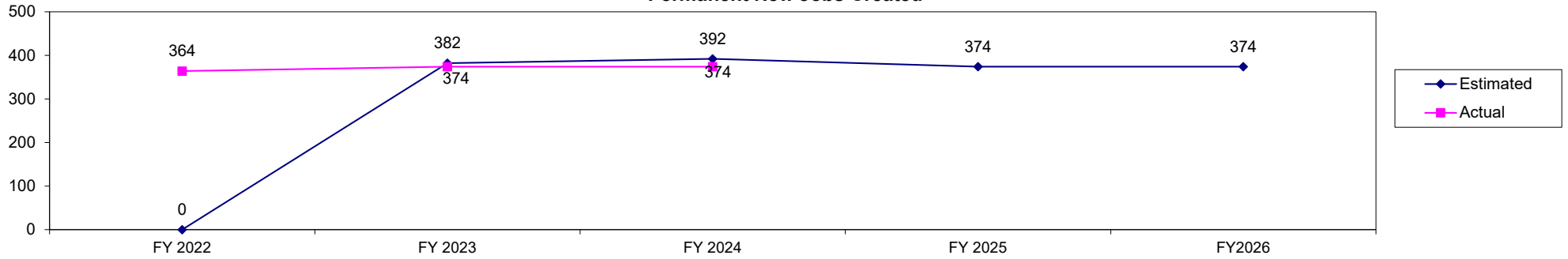
Other Benefits:

TAX CREDIT ANALYSIS

Program Name: Advanced Industrial Manufacturing Zones Act (AIM Zones)

PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure: Numbers are captured from projects that were closed out this fiscal year.



AMATEUR SPORTING CONTRIBUTION TAX CREDIT PROGRAM

PURPOSE

To incentivize donations to certified sponsors and local organizing committees.

AUTHORIZATION

Section 67.3005, RSMo

ELIGIBLE APPLICANTS

Certified sponsors and local organizing committees.

PROGRAM BENEFITS/ELIGIBLE USES

The Program provides tax credits to those making eligible donations to certified sponsors and local organizing committees. The tax credits are applied for by the certified sponsors and local organizing committees and are equal to 50% of the eligible donation.

Tax Credits can be applied to:

- Ch. 143 – Income Tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

The special attributes of the tax credits include:

- May be carried forward two subsequent tax years
- Sellable and transferable

FUNDING LIMITS

The program has an overall cap of \$10 million for each state fiscal year. The program will sunset on August 28, 2025.

APPLICATION/APPROVAL PROCEDURE

Applications are submitted for review to the Department of Economic Development along with payment of the Issuance Fee.

REPORTING REQUIREMENTS

Please contact the Department of Revenue for the reporting requirements of this program under the Tax Credit Accountability Act.

SPECIAL PROGRAM REQUIREMENTS

Applicants must submit an Issuance Fee payment to the Department of Economic Development equal to 50% of the claimed eligible donation in order for a donor to be issued tax credits under this program.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Solutions

Development Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: dedfn@ded.mo.gov • Web: www.ded.mo.gov

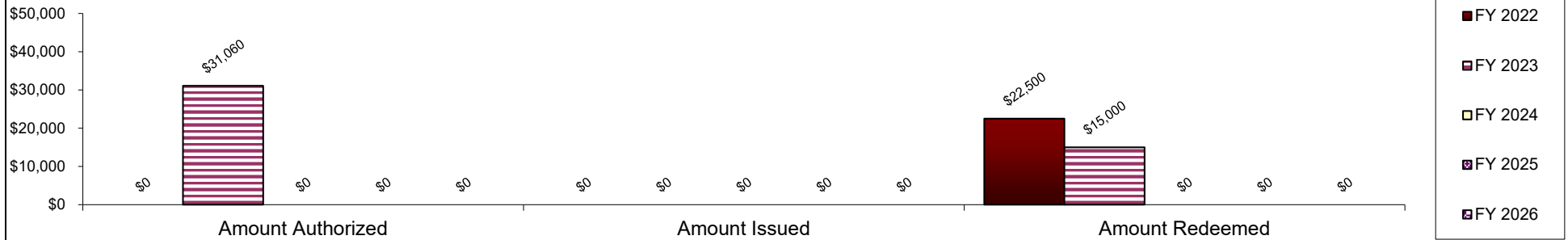
TAX CREDIT ANALYSIS

| | | | | | | |
|---|-----------------------|--|-----------------------|---|----------------------------|---|
| Program Name: Amateur Sporting Contribution Tax Credit | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Business Recruitment | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Section 67.3005, RSMo | | Applicable Taxes: Income Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax | | | | |
| Tax Credit Creation Date: 2013 | | Year of Last Legislative Change: 2018 | | | | |
| Program Description and Eligibility Requirements: This program provides an incentive for donations to certified sponsors and local organizing committees with a support contract for a sporting event. Certified sponsors and local organizing committees must provide the State with payment equal to 50% of the eligible donation. Once the Department has processed the payment, the Department will then issue tax credits equal to the amount of the payment to the State. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Discretionary <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| This program provides a tax credit to taxpayers making eligible donations to "certified sponsors" and "local organizing committees". Taxpayers can receive tax credits equal to 50% of an eligible donation to an eligible applicant. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 10 million _____ None _____ | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | | Which Program(s)? _____ | | | | |
| Explanation of Cap: No more than \$10 million dollars in tax credits can be issued in a given fiscal year. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Date of Sunset 8/28/2025 | | Date of Last Sunset Extension 8/28/2018 |
| Explanation of Expiration of Authority: The Amateur Sporting Contribution Tax Credit sunsets August 28, 2025. | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="checkbox"/> 2 years <input checked="" type="checkbox"/> 1 year | | Carry Back <input type="checkbox"/> n/a <input checked="" type="checkbox"/> 1 year | | Refundable <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Apportioned <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Sellable/Assignable <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Organizations Remit an Offset <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Additional Federal Deductions/Credits Available <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 1 | 0 | 0 | 0 | 0 |
| Projects/Participants (#) | 0 | 1 | 0 | 0 | 0 | 0 |
| Amount Authorized | \$0 | \$31,060 | \$0 | \$0 | \$0 | \$0 |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amount Redeemed | \$22,500 | \$15,000 | \$0 | \$0 | \$0 | \$0 |
| FY 2024 EST. Amount Outstanding \$23,250 | | | | | | |
| FY 2024 EST. Amount Authorized but Unissued \$0 | | | | | | |

TAX CREDIT ANALYSIS

| | |
|----------------------|---|
| Program Name: | Amateur Sporting Contribution Tax Credit |
|----------------------|---|

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

Projected information for Authorized, Issued, and Redeemed amounts is based on 3 year average.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (5 years) | Derivation of Benefits: No new authorizations in FY2024. |
|--------------------------|---------------------|----------------------------------|---|
| BENEFITS | | | |
| Direct Fiscal Benefits | | | |
| Indirect Fiscal Benefits | | | |
| Total | \$0 | \$0 | |
| COSTS | | | |
| Direct Fiscal Costs | | | |
| Indirect Fiscal Costs | | | |
| Total | \$0 | \$0 | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | |

Other Benefits:

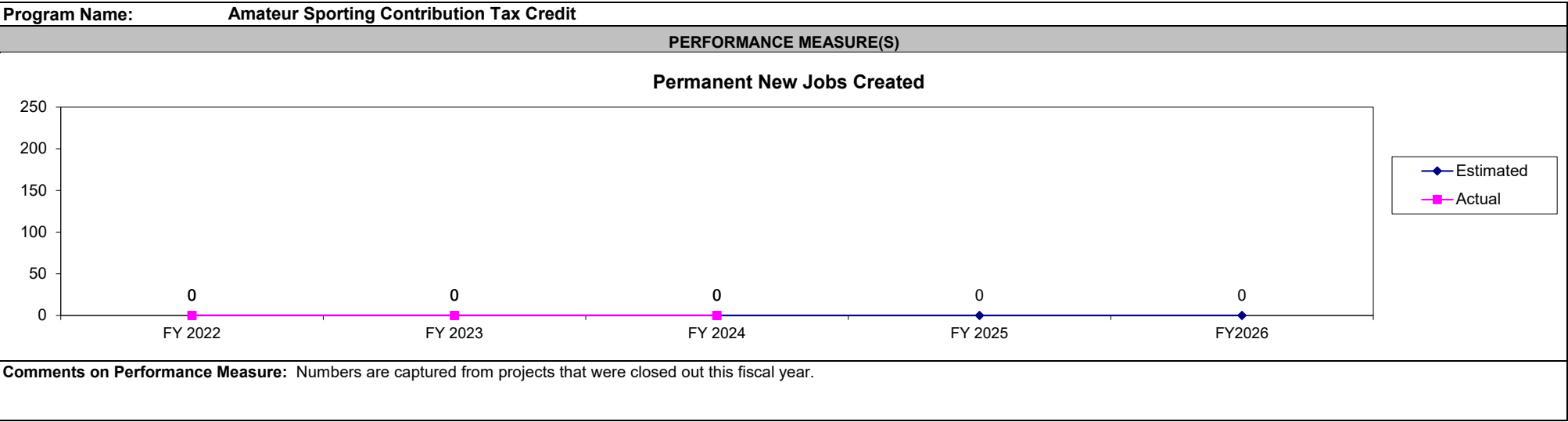
In FY-2024, every dollar of auth. program tax credits returns

| | |
|--|----------------|
| \$0.87 in new personal income totaling | \$0.03 million |
| \$1.24 in new value-added/GSP totaling | \$0.04 million |
| \$2.17 in new economic output totaling | \$0.07 million |

Over 5 YEARS, every dollar of auth. program tax credits returns

| | | | |
|--------|---------------------------------|--------|---------|
| \$1.18 | in new personal income totaling | \$0.04 | million |
| \$1.35 | in new value-added/GSP totaling | \$0.04 | million |
| \$2.34 | in new economic output totaling | \$0.07 | million |

TAX CREDIT ANALYSIS





AMATEUR SPORTING TAX CREDIT PROGRAM

PURPOSE

To promote the growth of Missouri's economy by incentivizing the selection of competitively bid amateur sporting events in Missouri.

AUTHORIZATION

Section 67.3000, RSMo

ELIGIBLE APPLICANTS

One or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively.

PROGRAM BENEFITS/ELIGIBLE USES

The Program provides tax credits equal to the lesser of:

- \$5 per admission ticket sold to the event
- \$10 per paid participant or;
- 100% of eligible costs incurred by the applicant.

Tax Credits can be applied to:

- Ch. 143 – Income Tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

The special attributes of the tax credits include:

- Must be claimed within one year of the close of the tax year in which credits were issued.
- Sellable and transferable
- Refundable

FUNDING LIMITS

The program has an overall cap of \$3 million for each state fiscal year. The program will sunset on August 28, 2025.

APPLICATION/APPROVAL PROCEDURE

The program is administered through a four part application process. A Project Proposal is first submitted to the Missouri Department of Economic Development (DED). If the DED approves the Project Proposal, the applicant must submit its support contract. The applicant must also submit an Event Notification to the DED between 30-60 days prior to the date of the sporting event. A Final Application is submitted, is due within 90 days following the completion of the sporting event.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be provided to the Department of Revenue by June 30, in each year during the three years reporting period in which the applicant is required to submit such reports.

SPECIAL PROGRAM REQUIREMENTS

Applicants must submit predictions on the anticipated economic benefit to the State of Missouri. Applications will be evaluated based upon anticipated and verified economic performance.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Solutions
Development Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102

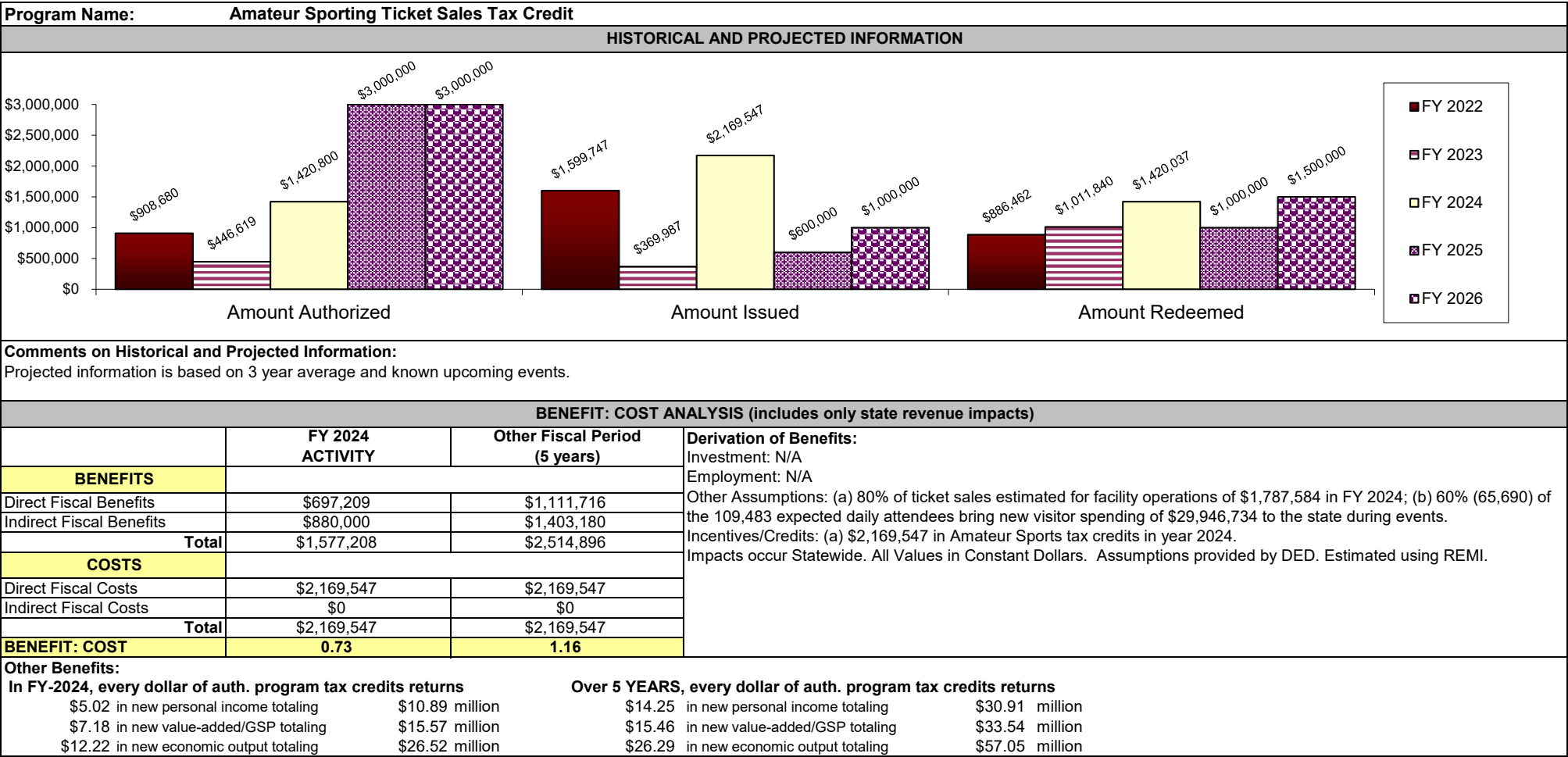
Phone: 573-526-0748 • Fax: 573-522-9462

E-mail: dedfin@ded.mo.gov • Web: www.ded.mo.gov

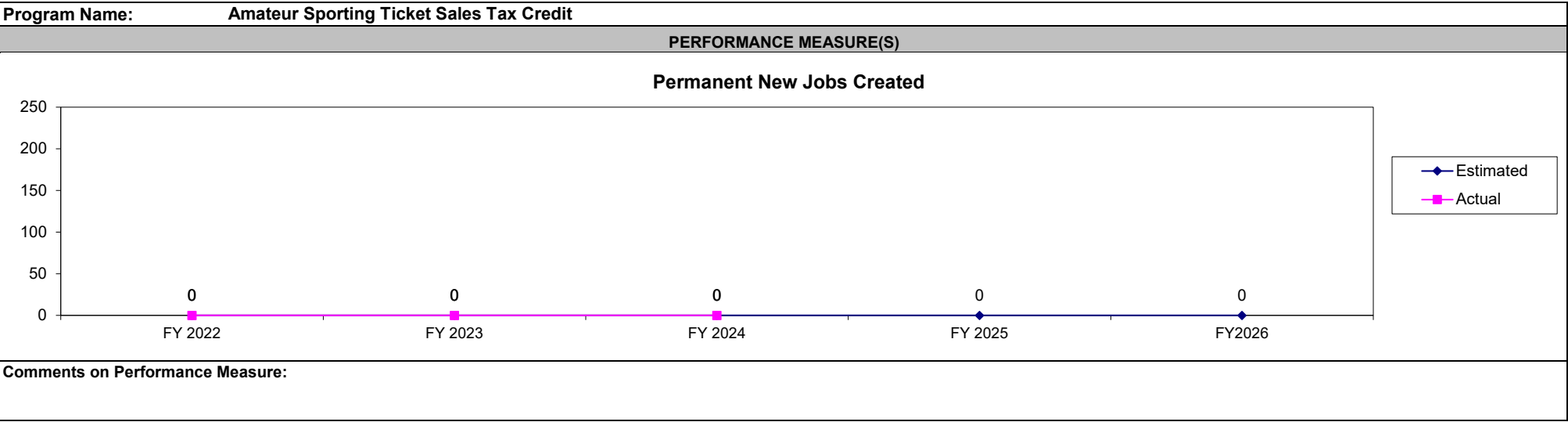
TAX CREDIT ANALYSIS

| | | | | | | | | | |
|--|----------------------------------|--|----------------------------------|---|----------------------------------|---|---------------------------------|--------------|---------------------------------|
| Program Name: Amateur Sporting Ticket Sales Tax Credit | | | | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | | | | |
| Program Category: Business Recruitment | | Type: Tax Credit | | Other: | | | | | |
| Statutory Authority: Section 67.3000, RSMo | | Applicable Taxes: Income Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax | | | | | | | |
| Tax Credit Creation Date: 2013 | | Year of Last Legislative Change: 2018 | | | | | | | |
| Program Description and Eligibility Requirements: This program provides a tax credit that is designed to encourage the location of competitively bid amateur sporting events in Missouri. The program is available to: "certified sponsors" active in the National Association of Sports Commissions, "endorsing counties", "endorsing municipalities", and "local organizing committees". | | | | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="text" value="No"/> | | Discretionary <input type="text" value="Yes"/> | | | | | |
| Eligible applicants can be awarded up to the lesser of \$5 per event ticket, or 100% of eligible costs. Eligible costs include: 1) costs necessary for conducting the sporting event, 2) costs relating to the preparations necessary to hold the sporting event, and 3) the applicant's pledged obligations to the organization responsible for selecting the site of the event as evidenced by the support contract. | | | | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ <u>3 million</u> None _____ | | | | | | | | | |
| Cap Shared Between Programs <input type="text" value="No"/> | | Which Program(s)? _____ | | | | | | | |
| Explanation of Cap: No more than \$3 million dollars in tax credits can be issued in a given fiscal year. Applicants in Jackson County, St. Louis City, and St. Louis County may only receive up to \$2.7 million of the \$3 million cap. | | | | | | | | | |
| Sunset Provision: | | <input type="text" value="Yes"/> | | Date of Sunset <u>8/28/2025</u> | | Date of Last Sunset Extension <u>8/28/2018</u> | | | |
| Explanation of Expiration of Authority: The Amateur Sporting Ticket Sales Tax Credit sunsets August 28, 2025. | | | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | | | |
| Carry forward | <input type="text" value="n/a"/> | Carry Back | <input type="text" value="n/a"/> | Refundable | <input type="text" value="Yes"/> | Apportioned | <input type="text" value="No"/> | Appropriated | <input type="text" value="No"/> |
| Sellable/Assignable | <input type="text" value="Yes"/> | Organizations Remit an Offset | <input type="text" value="No"/> | Additional Federal Deductions/Credits Available | | <input type="text" value="No"/> | | | |
| Comments on Specific Provisions: | | | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | | | |
| Certificates Issued (#) | 11 | 17 | 24 | 17 | 24 | 24 | | | |
| Projects/Participants (#) | 11 | 17 | 8 | 8 | 10 | 10 | | | |
| Amount Authorized | \$908,680 | \$446,619 | \$1,420,800 | \$144,000 | \$3,000,000 | \$3,000,000 | | | |
| Amount Issued | \$1,599,747 | \$369,987 | \$2,169,547 | \$152,040 | \$600,000 | \$1,000,000 | | | |
| Amount Redeemed | \$886,462 | \$1,011,840 | \$1,420,037 | \$2,500 | \$1,000,000 | \$1,500,000 | | | |
| | | | | | | | | | |
| FY 2024 EST. Amount Outstanding | | \$1,745,344 | | FY 2024 EST. Amount Authorized but Unissued | | \$8,239,087 | | | |
| | | | | | | | | | |

TAX CREDIT ANALYSIS



TAX CREDIT ANALYSIS





BROWNFIELD REDEVELOPMENT PROGRAM

PURPOSE

Provides financial incentives for abandoned or underutilized properties of at least 3 years to be redeveloped for industry, commerce, distribution and/or research.

AUTHORIZATION

Sections 447.700 to 447.718, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Any individual, firm, partnership, association, limited liability company, corporation or governmental agency.

ELIGIBILITY CRITERIA

- Applicant may not be any party who intentionally or negligently caused the release or potential release of hazardous substances at the eligible project.
- If the property is not owned by a public entity, the city or county (if not located in the city) must endorse the project.
- The project must be accepted into the "Voluntary Cleanup Program" with Missouri Department of Natural Resources (DNR).
- The project must be projected by Missouri Department of Economic Development (DED) to result in the creation of at least 10 new jobs or the retention of 25 jobs by a private commercial operations.

PROGRAM BENEFITS/ELIGIBLE USES

Remediation Tax Credits

DED may issue tax credits for up to 100% of the cost of remediation towards the project property. DED will issue 75% of the credits upon adequate proof of payment towards the costs; the remaining 25% will not be issued until a Clean Letter has been issued by DNR.

The tax credits may also include up to 100% of the costs of demolition that are not directly part of the remediation activities provided that the

demolition is on the property where the voluntary remediation activities are occurring, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipality or county government and DED. The demolition may occur on an adjacent property if the project is located in a municipality which has a population less than 20,000 and the above conditions are otherwise met. The adjacent property shall independently qualify as abandoned or underutilized.

The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation.

Notwithstanding any provision of law to the contrary, in any county of the first classification that has a charter form of government and that has a population of over 900,000 inhabitants, all demolition costs incurred during the redevelopment of any former automobile manufacturing plant shall be allowable costs eligible for tax credits under sections 447.700 to 447.718 so long as the redevelopment of such former automobile manufacturing plant shall be projected to create at least 250 new jobs or at least 300 retained jobs, or a combination thereof, as determined by DED. The amount of allowable costs eligible for tax credits shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the DED, provided that no tax credit shall be issued under this subsection until July 1, 2017. For purposes of this subsection, "former automobile manufacturing plant" means a redevelopment area that qualifies as an eligible project under section 447.700, that consists of at least 100 acres, and that was used primarily for the manufacture of automobiles but, after 2007, ceased such manufacturing.

The tax credits can be applied to:
Ch. 143 – Income tax, excluding withholding tax
Ch. 147 – Corporate franchise tax
Ch. 148 – Bank tax, Insurance premium tax, or other financial institution tax

The remediation tax credit's special attributes:

- Sell-able or transferable
- Carried forward for 20 years

FUNDING LIMITS

The total state costs of the project tax credits must be less than the projected state economic impact of the project, as determined by DED.

The amount of remediation tax credits issued must be the least amount necessary to cause the project to occur.

APPLICATION/APPROVAL PROCEDURE

An applicant must submit an application to DED for determination of eligibility and request for remediation tax credits.

An application must also be submitted to Department of Natural Resources (DNR) for participation in the "Voluntary Cleanup Program." Acceptance into this program is a requirement of the Brownfield Redevelopment Program.

Remediation that is performed prior to receipt of a written authorization for remediation tax credits from DED will not be eligible for tax credits and may jeopardize the project's overall eligibility for the program.

Applications may be submitted year-round. Each application is reviewed on a case-by-case basis.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for 3 years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

Credits are subject to 2.5% issuance fee.

CONTACT

Missouri Department of Economic
Development
Division of Business and Community Services
Redevelopment Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-522-8004 • Fax: 573-522-9462
E-mail: reddevelopment@ded.mo.gov
Web: www.ded.mo.gov

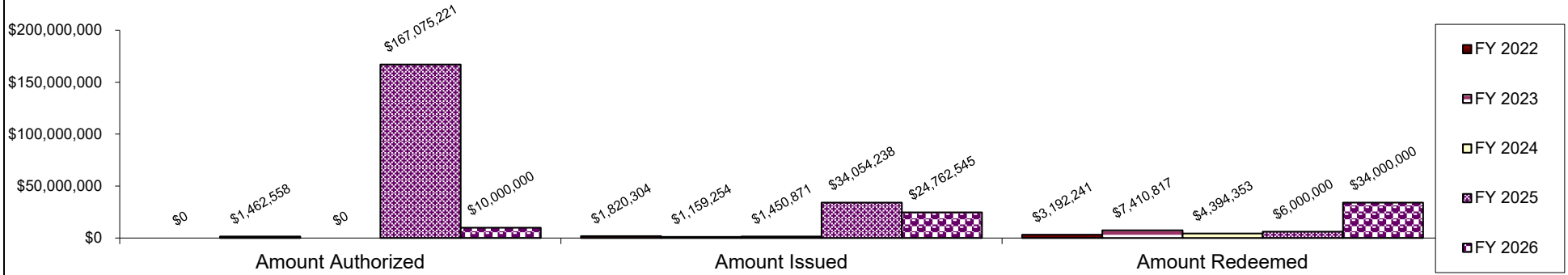
TAX CREDIT ANALYSIS

| | | | | | | |
|---|-----------------------|---|-----------------------|---|----------------------------|--|
| Program Name: Brownfield Remediation Tax Credit | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Redevelopment | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Sections 447.700-447.718, RSMo | | Applicable Taxes: Income Tax, Corporate Franchise Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax | | | | |
| Tax Credit Creation Date: 1995 | | Year of Last Legislative Change: 2016 | | | | |
| Program Description and Eligibility Requirements: Provide an incentive to businesses/developers to redevelop property contaminated with hazardous wastes. Requires property to be abandoned or underutilized for at least three years, real or suspected environmental contamination, and must enter the Department of Natural Resource's (DNR) Voluntary Cleanup Program. Project must create 10 new jobs or retain 25 jobs. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> No | | Discretionary <input type="checkbox"/> Yes | | |
| Eligible applicants may receive a tax credit of up to 100% of eligible remediation costs; 75% upon payment of remediation costs and 25% upon issuance of DNRs Clean Letter. The calculation of award must be the least amount necessary for the project to occur and the total benefits of the project are capped by the state economic benefit analysis. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/> X | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No | | Which Program(s)? _____ | | | | |
| Explanation of Cap: | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> No | | Date of Sunset _____ | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="checkbox"/> 20 years | | Carry Back <input type="checkbox"/> n/a | | Refundable <input type="checkbox"/> No | | Apportioned <input type="checkbox"/> No |
| Sellable/Assignable <input type="checkbox"/> Yes | | Organizations Remit an Offset <input type="checkbox"/> No | | Additional Federal Deductions/Credits Available <input type="checkbox"/> No | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 1 | 2 | 2 | 2 | 4 | 3 |
| Projects (#) | 1 | 2 | 2 | 2 | 2 | 2 |
| Amount Authorized | \$0 | \$1,462,558 | \$0 | \$158,945,144 | \$167,075,221 | \$10,000,000 |
| Amount Issued | \$1,820,304 | \$1,159,254 | \$1,450,871 | \$535,050 | \$34,054,238 | \$24,762,545 |
| Amount Redeemed | \$3,192,241 | \$7,410,817 | \$4,394,353 | \$2,545,286 | \$6,000,000 | \$34,000,000 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | | \$16,351,754 | | FY 2024 EST. Amount Authorized but Unissued | | \$10,287,360 |

TAX CREDIT ANALYSIS

Program Name: Brownfield Remediation Tax Credit

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

Projected information is based on 3 year average.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | | | |
|--------------------------|-----------------------------|---|--|
| | FY 2024 ACTIVITY | Other Fiscal Period (10 years) | Derivation of Benefits: No new authorizations in FY2024. |
| BENEFITS | | | |
| Direct Fiscal Benefits | | | |
| Indirect Fiscal Benefits | | | |
| Total | \$0 | \$0 | |
| COSTS | | | |
| Direct Fiscal Costs | | | |
| Indirect Fiscal Costs | | | |
| Total | \$0 | \$0 | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | |

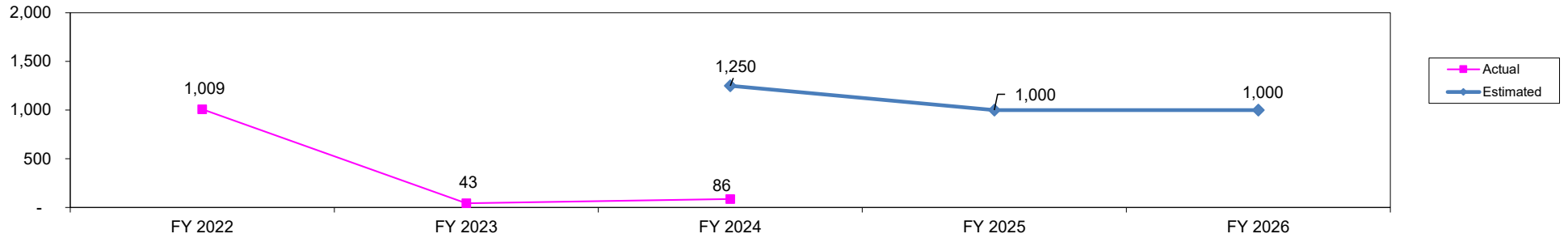
Other Benefits:

TAX CREDIT ANALYSIS

Program Name: Brownfield Remediation Tax Credit

PERFORMANCE MEASURE(S)

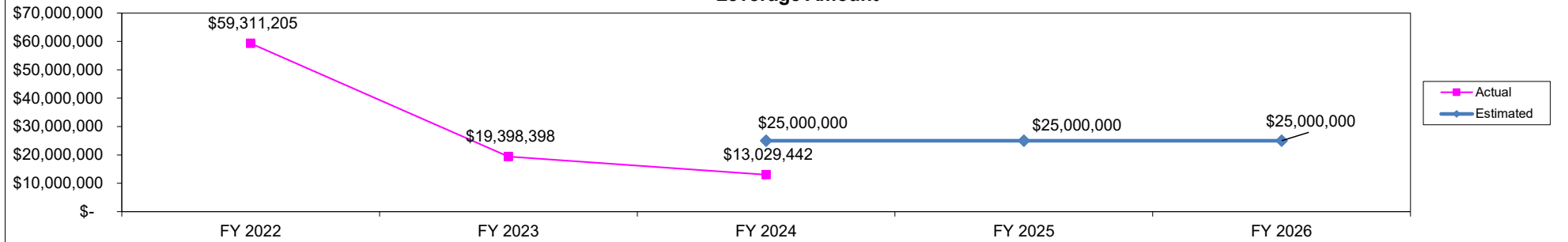
Jobs Created



Comments on Performance Measure:

Numbers are captured from projects that were closed out each fiscal year.

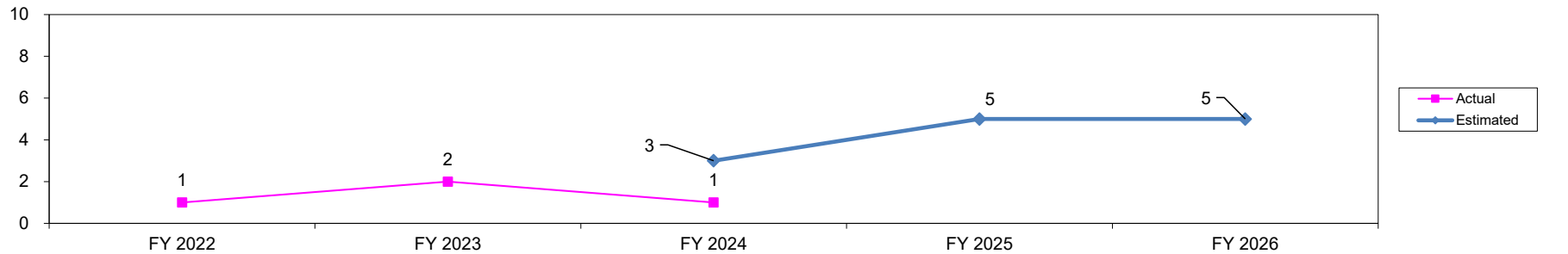
Leverage Amount



Comments on Performance Measure:

Numbers are captured from projects that were closed out each fiscal year.

Renovated Facilities



Comments on Performance Measure:

Numbers are captured from projects that were closed out each fiscal year.



HISTORIC PRESERVATION TAX CREDIT PROGRAM

Provide an incentive for the redevelopment of commercial and residential historic structures in Missouri.

AUTHORIZATION

Sections 253.544 to 253.559, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

Taxpayers and Not-for-Profits are eligible to participate in this program. Government entities are ineligible.

PROGRAM BENEFITS/ELIGIBLE USES

The program provides state tax credits equal to 25% of Qualified Rehabilitation Expenditures (QREs) of approved historic structures or 35% of QREs if the property is located outside Kansas City or St. Louis City and does not receive or intend to receive Low-Income Housing Tax Credits.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 –
- Bank Tax
- Insurance Premium Tax
- Other Financial Institution Tax

This credit's special attributes:

- Carry back 3 years
- Carry forward 10 years
- Sellable or transferable

FUNDING LIMITS

- Effective 7/1/2018, the cap is \$90 million for projects receiving tax credits for \$275,000 or more plus an additional \$30 million solely for projects located in a qualified census tract. The cap may be adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers, or its successor index.
- Owner occupied residential has a project cap of \$250,000 and projects receiving less than \$275,000 do not fall under the program cap.

APPLICATION/APPROVAL PROCEDURE

An application is submitted to the Missouri Department of Economic Development (DED), which will then be submitted to the State Historic Preservation Office to determine the eligibility of the property and proposed rehabilitation, based on the standards of the U.S. Department of the Interior.

Preliminary applications subject to the cap will be scored. Small projects and Historic Schools and Theaters are not scored. Applications are accepted July 1 through June 30 of each state fiscal year.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to the Missouri Department of Revenue by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

An eligible project must be:

- Located in Missouri and offered or used for commercial or residential purposes; and
- A certified historic structure at the time of tax credit issuance.

The costs and expenses associated with the rehabilitation must exceed 50% of the total basis of the property (acquisition cost).

CONTACT

Missouri Department of Economic Development
Division of Business Opportunities

301 West High Street, Room 770 • P.O. Box 118
Jefferson City, MO • 65102

Phone: 573-522-8004

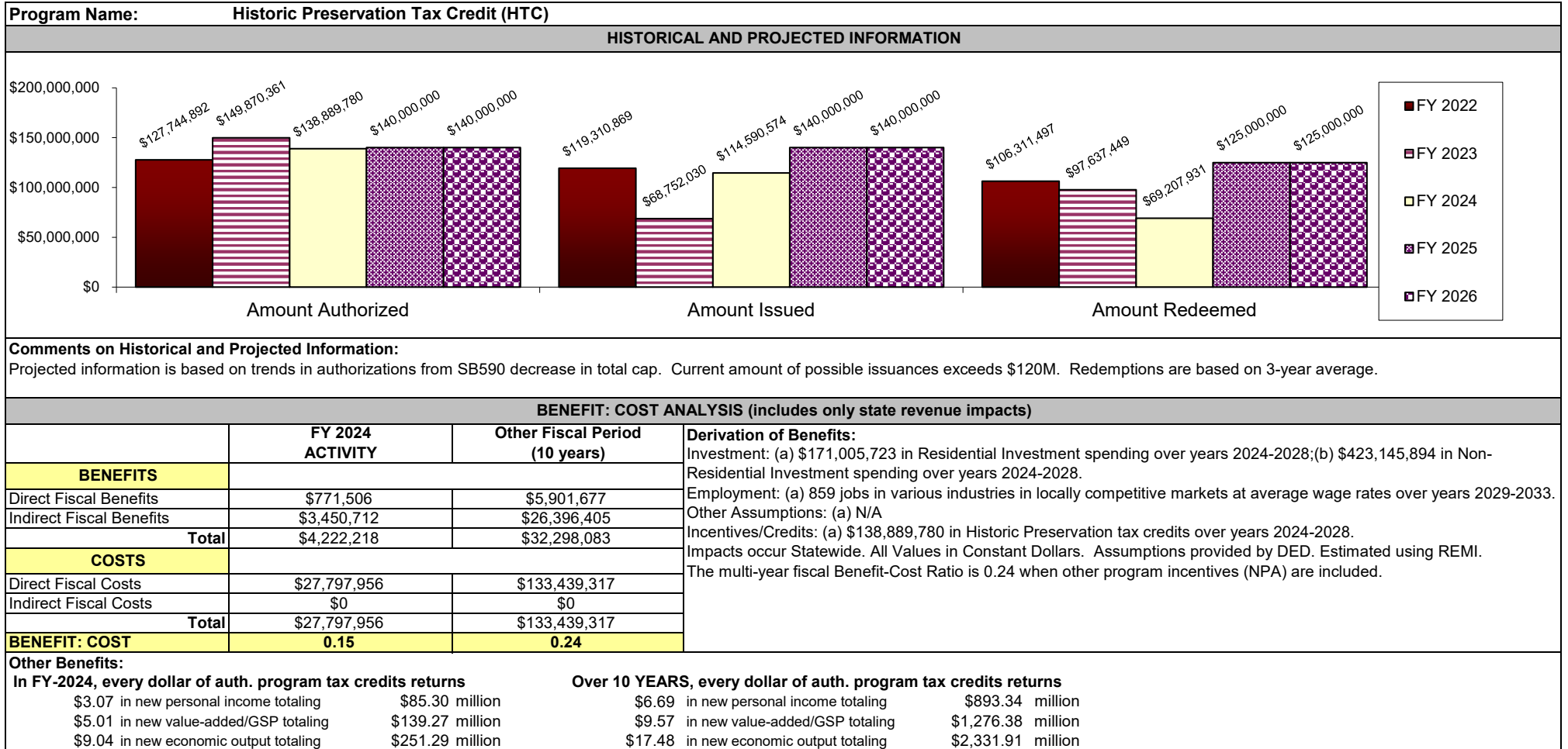
E-mail: htc@ded.mo.gov

Web: [Historic Preservation Tax Credit Program \(HTC\) | Department of Economic Development \(mo.gov\)](https://www.ded.mo.gov/historic-preservation-tax-credit-program)

TAX CREDIT ANALYSIS

| | | | | | | |
|---|-----------------------|--|---|-------------------------------|----------------------------|---|
| Program Name: Historic Preservation Tax Credit (HTC) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Redevelopment | | Type: | | Tax Credit | Other: | |
| Statutory Authority: Sections 253.545-253.561, RSMo | | Applicable Taxes: Income Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax | | | | |
| Tax Credit Creation Date: 1997 | | Year of Last Legislative Change: 2024 | | | | |
| Program Description and Eligibility Requirements: This program provides an incentive designed to encourage the redevelopment of commercial and residential historic structures in Missouri. Individuals, organizations, businesses, and not-for-profits are eligible to apply. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement | | Yes | Discretionary | |
| | | | | No | | |
| The applicable percentage of tax credits for a project is: 25% of the qualified rehabilitation expenditures, or 35% of the qualified rehabilitation expenditures incurred on or after July 1, 2024, if the property is located outside Kansas City and St. Louis City and does not receive or intend to receive Missouri Low-Income Housing Tax Credits. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 134.4 million None _____ | | | | | | |
| Cap Shared Between Programs | | Which Program(s)? | | | | |
| | | | | | | |
| Explanation of Cap: The program has an annual cap on projects in the statute, but some types of projects are excluded from the cap. There is also a set-aside for projects in Qualified Census Tracts (QCT). Both amounts are calculated based on the State Fiscal Year. The Statewide Tax Credit Cap is \$104.4 million (\$90 million plus \$14.4 million added in based on the Consumer Price Index as of June 2022). The QCT Tax Credit Cap is \$30 million. Properties in a QCT are not limited by the amount in this set-aside, but QCT projects will be authorized tax credits from the QCT Tax Credit Cap before being authorized from the Statewide Tax Credit Cap. | | | | | | |
| Sunset Provision: | | No | | Date of Sunset | | Date of Last Sunset Extension |
| | | | | | | |
| Explanation of Expiration of Authority: | | | | | | |
| | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward | | 10 years | Carry Back | | 3 years | Refundable |
| | | | | | | No |
| | | | | | | Apportioned |
| | | | | | | No |
| | | | | | | Appropriated |
| | | | | | | No |
| | | | | | | Sellable/Assignable |
| | | | | | | Yes |
| | | | | | | Organizations Remit an Offset |
| | | | | | | No |
| | | | | | | Additional Federal Deductions/Credits Available |
| | | | | | | No |
| Comments on Specific Provisions: | | | | | | |
| 20% Federal Historic Tax Credit | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| 8/28/2024: HB 2062 | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 123 | 99 | 184 | 73 | 150 | 150 |
| Projects/Participants (#) | 131 | 68 | 93 | 47 | 110 | 110 |
| Amount Authorized | \$127,744,892 | \$149,870,361 | \$138,889,780 | \$130,862,942 | \$140,000,000 | \$140,000,000 |
| Amount Issued | \$119,310,869 | \$68,752,030 | \$114,590,574 | \$20,957,284 | \$140,000,000 | \$140,000,000 |
| Amount Redeemed | \$106,311,497 | \$97,637,449 | \$69,207,931 | \$41,999,306 | \$125,000,000 | \$125,000,000 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$177,411,588 | | FY 2024 EST. Amount Authorized but Unissued | | \$426,324,779 | |
| | | | | | | |

TAX CREDIT ANALYSIS



TAX CREDIT ANALYSIS

| Program Name: | Historic Preservation Tax Credit (HTC) | | | | | | | | | | | | | | | | | | |
|--|--|---------------|--------|-----------|---------|---------------|--|---------|---------------|--|---------|---------------|---------------|---------|--|---------------|---------|--|---------------|
| PERFORMANCE MEASURE(S) | | | | | | | | | | | | | | | | | | | |
| Jobs Created | | | | | | | | | | | | | | | | | | | |
| <table><tr><th>Fiscal Year</th><th>Actual</th><th>Estimated</th></tr><tr><td>FY 2022</td><td>647</td><td></td></tr><tr><td>FY 2023</td><td>1,104</td><td></td></tr><tr><td>FY 2024</td><td>829</td><td>1,100</td></tr><tr><td>FY 2025</td><td></td><td>1,100</td></tr><tr><td>FY 2026</td><td></td><td>1,100</td></tr></table> | | Fiscal Year | Actual | Estimated | FY 2022 | 647 | | FY 2023 | 1,104 | | FY 2024 | 829 | 1,100 | FY 2025 | | 1,100 | FY 2026 | | 1,100 |
| Fiscal Year | Actual | Estimated | | | | | | | | | | | | | | | | | |
| FY 2022 | 647 | | | | | | | | | | | | | | | | | | |
| FY 2023 | 1,104 | | | | | | | | | | | | | | | | | | |
| FY 2024 | 829 | 1,100 | | | | | | | | | | | | | | | | | |
| FY 2025 | | 1,100 | | | | | | | | | | | | | | | | | |
| FY 2026 | | 1,100 | | | | | | | | | | | | | | | | | |
| Comments on Performance Measure: Numbers are captured from projects that were closed out each fiscal year. | | | | | | | | | | | | | | | | | | | |
| Housing Units | | | | | | | | | | | | | | | | | | | |
| <table><tr><th>Fiscal Year</th><th>Actual</th><th>Estimated</th></tr><tr><td>FY 2022</td><td>1,077</td><td></td></tr><tr><td>FY 2023</td><td>291</td><td></td></tr><tr><td>FY 2024</td><td>1,446</td><td>350</td></tr><tr><td>FY 2025</td><td></td><td>1,500</td></tr><tr><td>FY 2026</td><td></td><td>1,500</td></tr></table> | | Fiscal Year | Actual | Estimated | FY 2022 | 1,077 | | FY 2023 | 291 | | FY 2024 | 1,446 | 350 | FY 2025 | | 1,500 | FY 2026 | | 1,500 |
| Fiscal Year | Actual | Estimated | | | | | | | | | | | | | | | | | |
| FY 2022 | 1,077 | | | | | | | | | | | | | | | | | | |
| FY 2023 | 291 | | | | | | | | | | | | | | | | | | |
| FY 2024 | 1,446 | 350 | | | | | | | | | | | | | | | | | |
| FY 2025 | | 1,500 | | | | | | | | | | | | | | | | | |
| FY 2026 | | 1,500 | | | | | | | | | | | | | | | | | |
| Comments on Performance Measure: Numbers are captured from projects that were closed out each fiscal year. | | | | | | | | | | | | | | | | | | | |
| Amount Leveraged | | | | | | | | | | | | | | | | | | | |
| <table><tr><th>Fiscal Year</th><th>Actual</th><th>Estimated</th></tr><tr><td>FY 2022</td><td>\$377,323,495</td><td></td></tr><tr><td>FY 2023</td><td>\$252,228,161</td><td></td></tr><tr><td>FY 2024</td><td>\$511,320,005</td><td>\$275,000,000</td></tr><tr><td>FY 2025</td><td></td><td>\$550,000,000</td></tr><tr><td>FY 2026</td><td></td><td>\$550,000,000</td></tr></table> | | Fiscal Year | Actual | Estimated | FY 2022 | \$377,323,495 | | FY 2023 | \$252,228,161 | | FY 2024 | \$511,320,005 | \$275,000,000 | FY 2025 | | \$550,000,000 | FY 2026 | | \$550,000,000 |
| Fiscal Year | Actual | Estimated | | | | | | | | | | | | | | | | | |
| FY 2022 | \$377,323,495 | | | | | | | | | | | | | | | | | | |
| FY 2023 | \$252,228,161 | | | | | | | | | | | | | | | | | | |
| FY 2024 | \$511,320,005 | \$275,000,000 | | | | | | | | | | | | | | | | | |
| FY 2025 | | \$550,000,000 | | | | | | | | | | | | | | | | | |
| FY 2026 | | \$550,000,000 | | | | | | | | | | | | | | | | | |
| Comments on Performance Measure: Numbers are captured from projects that were closed out each fiscal year. | | | | | | | | | | | | | | | | | | | |



NEIGHBORHOOD PRESERVATION ACT

To provide an incentive for the rehabilitation or construction of owner-occupied homes in certain areas of the state.

AUTHORIZATION

Sections 135.475 to 135.487, RSMo

ELIGIBLE AREAS

"Qualifying Areas" include "distressed communities," as defined in 135.530, RSMo, and areas with a median household income of less than 70% of the median household income for the applicable MSA or non-MSA.

"Eligible Areas" with a median household income of 70% to 89% of the median household income for the applicable MSA or non-MSA.

ELIGIBLE APPLICANTS

Any taxpayer who incurs eligible costs for a new residence or rehabilitates a residence for owner occupancy that is located in a designated area.

PROGRAM BENEFITS/ELIGIBLE USES

The Department of Economic Development (DED) issues state tax credits to a homeowner who rehabilitates a home or to a homeowner or developer that constructs a new home for owner-occupancy in certain areas of the state.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

This credit's special attributes:

- Carry back 3 years
- Carry forward 5 years
- Sellable or transferable

FUNDING LIMITS

The maximum credits available are \$8 million for Qualifying Areas and \$8 million for Eligible Areas.

The credits for a project are determined as follows:

- New Residences in Eligible Areas – 15% of eligible costs, tax credits cannot exceed \$25,000 per residence;
- New Residences in Qualifying Areas – 15% of eligible costs, tax credits cannot exceed \$40,000 per residence;
- Substantial Rehabilitation in Eligible Areas – 25% of eligible costs, minimum costs \$10,000, tax credits cannot exceed \$25,000 per residence;
- Substantial Rehabilitation in Qualifying Areas – 35% of eligible costs, minimum costs the greater of \$5,000 or 50% of the purchase price, tax credit cannot exceed \$70,000 per residence.
- Non-substantial Rehabilitation in Qualifying Areas – 25% of eligible costs, minimum costs \$5,000, tax credits cannot exceed \$25,000 per residence.

APPLICATION/APPROVAL PROCEDURE

A pre-application is submitted to DED that includes cost estimates and scope of work. Applications will be accepted during an application cycle starting in January and ending in mid-February. The applications are granted preliminary approval based on a lottery process.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

Tax credits may not be claimed in addition to any other state tax credits, with the exception of the Historic Preservation tax credit authorized by sections 253.545 to 253.559, RSMo. If Historic Preservation tax credits are claimed, the maximum available credits under this program will be the lesser of 20% of the eligible costs or \$40,000.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Solutions

301 West High Street, Room 770 • P.O. Box 118

Jefferson City, MO • 65102

Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: reddevelopment@ded.mo.gov • Web: www.ded.mo.gov

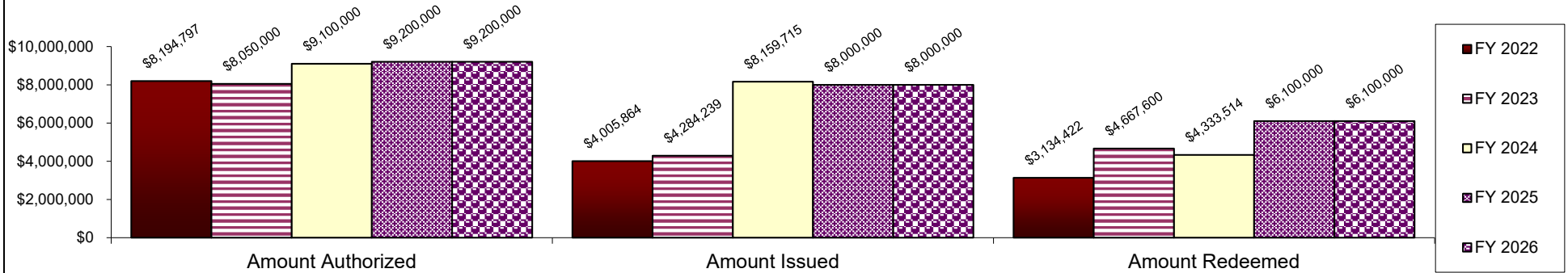
TAX CREDIT ANALYSIS

| | | | | | | |
|---|-----------------------|---|---|---|----------------------------|--|
| Program Name: Neighborhood Preservation Tax Credit (NPA) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Housing | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Sections 135.475-135.487, RSMo | | Applicable Taxes: Income Tax, Corporate Franchise Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax | | | | |
| Tax Credit Creation Date: 1999 | | Year of Last Legislative Change: 2007 | | | | |
| Program Description and Eligibility Requirements: Provides an incentive for any taxpayer who incurs eligible costs for a new residence or rehabilitates a residence for owner occupancy that is located in a designated area. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> Yes | | Discretionary <input type="checkbox"/> No | | |
| Tax Credit of 25% - 35% of eligible renovation costs, or 15% of new construction. This is a calendar year program. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 16 million None _____ Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | |
| Explanation of Cap: \$8M for eligible areas; \$8M for qualifying areas (as defined by law). Credits are awarded on a first-come, first-served basis by utilizing a lottery system. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> No | | Date of Sunset _____ | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="checkbox"/> 5 years | | Carry Back <input type="checkbox"/> 3 years | | Refundable <input type="checkbox"/> No | | Apportioned <input type="checkbox"/> No |
| Sellable/Assignable <input type="checkbox"/> Yes | | Organizations Remit an Offset <input type="checkbox"/> No | | Additional Federal Deductions/Credits Available <input type="checkbox"/> No | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 164 | 104 | 180 | 129 | 110 | 150 |
| Projects/Participants (#) | 164 | 104 | 90 | 69 | 110 | 90 |
| Amount Authorized | \$8,194,797 | \$8,050,000 | \$9,100,000 | \$0 | \$9,200,000 | \$9,200,000 |
| Amount Issued | \$4,005,864 | \$4,284,239 | \$8,159,715 | \$5,111,141 | \$8,000,000 | \$8,000,000 |
| Amount Redeemed | \$3,134,422 | \$4,667,600 | \$4,333,514 | \$3,956,732 | \$6,100,000 | \$6,100,000 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$11,960,678 | | FY 2024 EST. Amount Authorized but Unissued | | \$62,344,436 | |

TAX CREDIT ANALYSIS

| | |
|----------------------|---|
| Program Name: | Neighborhood Preservation Tax Credit (NPA) |
|----------------------|---|

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

Projected information for Authorized, Issued, and Redeemed amounts is based on 3 year average.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (5 years) | Derivation of Benefits: |
|--------------------------|---------------------|----------------------------------|--|
| BENEFITS | | | Investment: (a) \$53,395,413 in Residential Investment spending over years 2023-2024. Employment: (a) N/A Other Assumptions: (a) N/A |
| Direct Fiscal Benefits | \$1,134,851 | \$1,985,056 | Incentives/Credits: (a) \$9,100,000 in Neighborhood Preservation Act tax credits in 2024. |
| Indirect Fiscal Benefits | \$310,753 | \$543,563 | Impacts occur Statewide. All Values in Constant Dollars. Assumptions provided by DED. Estimated using REMI. |
| Total | \$1,445,604 | \$2,528,619 | The multi-year fiscal Benefit-Cost Ratio is 0.25 when other program incentives (Historic Preservation) are included. |
| COSTS | | | |
| Direct Fiscal Costs | \$9,100,000 | \$9,100,000 | |
| Indirect Fiscal Costs | \$0 | \$0 | |
| Total | \$9,100,000 | \$9,100,000 | |
| BENEFIT: COST | 0.16 | 0.28 | |

Other Benefits:

In FY 2024, every dollar of auth. program tax credits returns

| | |
|--|-----------------|
| \$2.01 in new personal income totaling | \$18.30 million |
|--|-----------------|

\$3.35 in new value-added/GSP totaling \$30.46 million

\$5.95 in new economic output totaling \$54.14 million

Over 5 YEARS, every dollar of auth. program tax credits returns

\$2.89 in new personal income totaling \$26.32 million

\$3.72 in new value-added/GSP totaling \$33.85 million

\$6.61 in new economic output totaling \$60.17 million

TAX CREDIT ANALYSIS

| Program Name: | Neighborhood Preservation Tax Credit (NPA) | | | | | | | | | | | | | | | | | | |
|---|--|--------------|--------|-----------|---------|--------------|--|---------|--------------|--|---------|--------------|--------------|---------|--|--------------|---------|--|--------------|
| PERFORMANCE MEASURE(S) | | | | | | | | | | | | | | | | | | | |
| <div><h3>Housing Units</h3><table><tr><th>Fiscal Year</th><th>Actual</th><th>Estimated</th></tr><tr><td>FY 2022</td><td>104</td><td></td></tr><tr><td>FY 2023</td><td>112</td><td></td></tr><tr><td>FY 2024</td><td>204</td><td>120</td></tr><tr><td>FY 2025</td><td></td><td>200</td></tr><tr><td>FY 2026</td><td></td><td>200</td></tr></table></div> | | Fiscal Year | Actual | Estimated | FY 2022 | 104 | | FY 2023 | 112 | | FY 2024 | 204 | 120 | FY 2025 | | 200 | FY 2026 | | 200 |
| Fiscal Year | Actual | Estimated | | | | | | | | | | | | | | | | | |
| FY 2022 | 104 | | | | | | | | | | | | | | | | | | |
| FY 2023 | 112 | | | | | | | | | | | | | | | | | | |
| FY 2024 | 204 | 120 | | | | | | | | | | | | | | | | | |
| FY 2025 | | 200 | | | | | | | | | | | | | | | | | |
| FY 2026 | | 200 | | | | | | | | | | | | | | | | | |
| Comments on Performance Measure: Numbers are captured from projects that were closed out this fiscal year. | | | | | | | | | | | | | | | | | | | |
| <div><h3>Amounts Leveraged</h3><table><tr><th>Fiscal Year</th><th>Actual</th><th>Estimated</th></tr><tr><td>FY 2022</td><td>\$27,912,007</td><td></td></tr><tr><td>FY 2023</td><td>\$31,761,244</td><td></td></tr><tr><td>FY 2024</td><td>\$58,129,449</td><td>\$34,302,144</td></tr><tr><td>FY 2025</td><td></td><td>\$55,000,000</td></tr><tr><td>FY 2026</td><td></td><td>\$55,000,000</td></tr></table></div> | | Fiscal Year | Actual | Estimated | FY 2022 | \$27,912,007 | | FY 2023 | \$31,761,244 | | FY 2024 | \$58,129,449 | \$34,302,144 | FY 2025 | | \$55,000,000 | FY 2026 | | \$55,000,000 |
| Fiscal Year | Actual | Estimated | | | | | | | | | | | | | | | | | |
| FY 2022 | \$27,912,007 | | | | | | | | | | | | | | | | | | |
| FY 2023 | \$31,761,244 | | | | | | | | | | | | | | | | | | |
| FY 2024 | \$58,129,449 | \$34,302,144 | | | | | | | | | | | | | | | | | |
| FY 2025 | | \$55,000,000 | | | | | | | | | | | | | | | | | |
| FY 2026 | | \$55,000,000 | | | | | | | | | | | | | | | | | |
| Comments on Performance Measure: Numbers are captured from projects that were closed out this fiscal year. | | | | | | | | | | | | | | | | | | | |



BUSINESS FACILITY HEADQUARTERS TAX CREDIT PROGRAM

Provide tax incentives to facilitate the expansion of new or existing businesses in Missouri.

AUTHORIZATION

Sections 135.100 to 135.150, 135.258, RSMo

"Headquarters" that commence operations and "headquarters" of certain "employee-owned" businesses that commence or expand operations on or before December 31, 2030 may be eligible for the program.

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

Facility eligibility is determined by primary Standard Industrial Classification (SIC) or North American Industrial Classification System (NAICS) code. Eligible facility enterprises include: engineering firms classified as SIC 8711, architectural firms classified as SIC 8712, or accounting firms classified as SIC 8721.

Additional eligibility requirements:

- The facility must maintain an average of at least 500 new business facility employees
- The facility must create at least 25 new jobs and make \$1,000,000 in new investment as compared to the base year, and maintain an average of at least \$20,000,000 in business facility investment.

PROGRAM BENEFITS/ELIGIBLE USES

Tax credits are provided to the business based on the number of new jobs created and new investment at the qualifying facility. The credits are provided each year for up to ten years after the project commences operations.

This tax credit can be applied to: Ch. 143 – Income tax, excluding withholding tax; Ch. 148 – Insurance Premium Tax; and Sec. 375.916 – Insurance Co. Retaliatory Tax

The credit is sellable and transferrable.

FUNDING LIMITS

The Missouri company qualifying as a new "headquarters" facility may receive the greater of:

- \$400 for each new business facility employee and four percent of new business facility investment; or,
- \$500 for each new business facility employee and \$500 of each \$100,000 of new business facility investment.

The investment credit are based on the original cost of machinery, equipment, furniture, fixtures, land and building, software, hardware, and/or eight times the annual rental or license rate paid for the same. Inventory is not eligible.

APPLICATION PROCEDURE/APPROVAL

The business must submit a form letter of intent (pre-application) to the Department of Economic Development (DED) at least 15 days prior to the commencement of facility operations. Failure to meet this requirement precludes participation in the program for the base year sought.

The business must file an application for tax credits for its first year of operations by the end of the tax year immediately following the tax year during which operations were commenced. Failure to timely file the application for credits for the first year of operations will result in a denial of the application and precludes participation in the program for the base year sought.

ADDITIONAL RESOURCES

Guidelines, forms, and additional information for this and other economic development programs can be found at www.ded.mo.gov

CONTACT

Missouri Department of Economic Development
Division of Business and Community Solutions
301 West High Street, Room 770 • P.O. Box 118
Jefferson City, MO • 65102
Phone: 573-522-8004 • Fax: 573-522-9462
E-mail: reddevelopment@ded.mo.gov
Web: www.ded.mo.gov

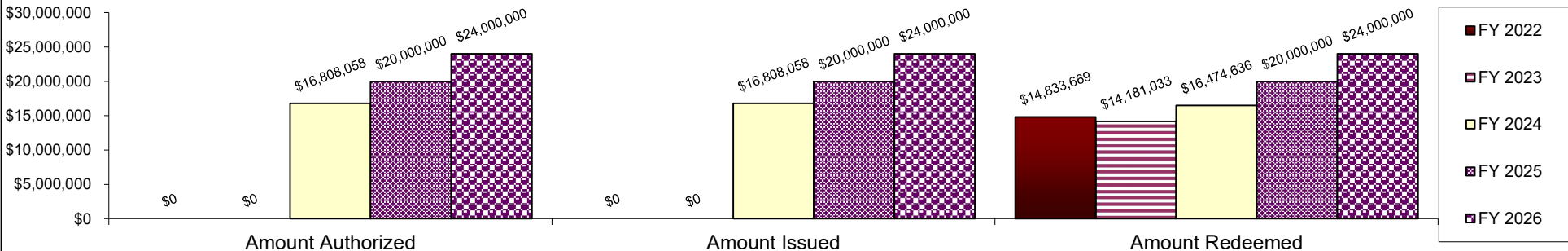
TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|---|-----------------------|---|----------------------------|------------------------------|
| Program Name: Business Facility Headquarters Tax Credit (BFC) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Business Recruitment | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Sections 135.100-135.258, RSMo | | Applicable Taxes: Income Tax, Bank Tax, Insurance Premium Tax, Insurance Company Retaliatory Tax | | | | |
| Tax Credit Creation Date: 1980 | | Year of Last Legislative Change: 2022 | | | | |
| Program Description and Eligibility Requirements: Tax incentives to facilitate the expansion of new or existing businesses in Missouri. "Headquarters" that commence operations and "headquarters" of certain "employee-owned" businesses that commence or expand operations on or before December 31, 2024 may be eligible for the program. The facility must maintain an average of at least 500 new business facility employees and the facility must create at least 25 new jobs and make \$1,000,000 in new investment, as compared to the base year, and maintain an average of at least \$20,000,000 in business facility investment. | | | | | | |
| Explanation of How Award is Computed: <div style="display: flex; justify-content: space-between;"> Entitlement <input type="checkbox"/> Yes Discretionary <input type="checkbox"/> No </div> The Missouri company qualifying as a new "headquarters" facility may receive the greater of: \$400 for each new business facility employee and 4% of new business facility investment; or, \$500 for each new business facility employee and \$500 of each \$100,000 of new business facility investment. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/> X | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | |
| Explanation of Cap: | | | | | | |
| Sunset Provision: <input type="checkbox"/> Yes Date of Sunset 12/31/2028 Date of Last Sunset Extension _____ | | | | | | |
| Explanation of Expiration of Authority: No revenue-producing enterprise shall receive the incentives set forth in sections 135.100 to 135.150 for facilities commencing operations on or after January 1, 2005. Headquarters may receive incentives for facilities commencing or expanding operations on or after January 1, 2005 but not on or after January 1, 2031. HB 2400 (2022). | | | | | | |
| Specific Provisions: (if applicable) <div style="display: flex; justify-content: space-between;"> <div>Carry forward <input type="text" value="5 years"/> Carry Back <input type="text" value="n/a"/></div> <div>Refundable <input type="checkbox"/> Yes</div> <div>Apportioned <input type="checkbox"/> No</div> <div>Appropriated <input type="checkbox"/> No</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Sellable/Assignable <input type="checkbox"/> Yes</div> <div>Organizations Remit an Offset <input type="checkbox"/> No</div> <div>Additional Federal Deductions/Credits Available <input type="checkbox"/> No</div> </div> | | | | | | |
| Comments on Specific Provisions: Carry forward, Refundable and Sellable/Assignable provisions are limited in application. | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: 2022: HB 2400 | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 18 | 0 | 9 | 9 | 9 | 9 |
| Projects/Participants (#) | 0 | 0 | 9 | 9 | 9 | 9 |
| Amount Authorized | \$0 | \$0 | \$16,808,058 | \$19,680,966 | \$20,000,000 | \$24,000,000 |
| Amount Issued | \$0 | \$0 | \$16,808,058 | \$19,680,966 | \$20,000,000 | \$24,000,000 |
| Amount Redeemed | \$14,833,669 | \$14,181,033 | \$16,474,636 | \$7,063,724 | \$20,000,000 | \$24,000,000 |
| FY 2024 EST. Amount Outstanding | | \$366,403 | | FY 2024 EST. Amount Authorized but Unissued | | \$0 |

TAX CREDIT ANALYSIS

| | |
|----------------------|--|
| Program Name: | Business Facility Headquarters Tax Credit (BFC) |
|----------------------|--|

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

FY2024 and FY2025 projections based on NOI currently received by organization, but could change should additional NOI's be received.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (15 years) | Derivation of Benefits: |
|--------------------------|---------------------|-----------------------------------|--|
| BENEFITS | | | Investment: (a) \$230,906,275 in Non-Residential Investment spending over years 2014-2023. |
| Direct Fiscal Benefits | \$1,150,372 | \$75,592,280 | Employment: (a) 1,683 jobs scaled up over ten years in Professional, Scientific, and Technical Services at average wage rates over years 2014-2043. |
| Indirect Fiscal Benefits | \$1,301,940 | \$85,542,259 | Other Assumptions: N/A |
| Total | \$2,452,312 | \$161,134,539 | Incentives/Credits: (a) \$179,937,573 in Business Facility tax credits over years 2014-2033 to model full cost of active BFC projects where activity has occurred. |
| COSTS | | | Impacts occur Statewide. All Values in Constant Dollars. Assumptions provided by DED. Estimated using REMI. |
| Direct Fiscal Costs | \$1,317,383 | \$140,301,516 | The multi-year fiscal Benefit-Cost Ratio is 1.07 when other program incentives (Missouri Works) are included. |
| Indirect Fiscal Costs | \$0 | \$0 | |
| Total | \$1,317,383 | \$140,301,516 | |
| BENEFIT: COST | 1.86 | 1.15 | |

Other Benefits:

In FY 2024, every dollar of auth. program tax credits returns:

Over 20 YEARS, every dollar of auth. program tax credits returns

\$33.87 in new personal income totaling \$44.62 million

\$52.98 in new value-added/GSP totaling \$69.79 million

\$87.92 in new economic output totaling \$115.82 million

\$44.65 in new personal income totaling \$6,690.69 million

\$55.29 in new value-added/GSP totaling \$8,284.28 million

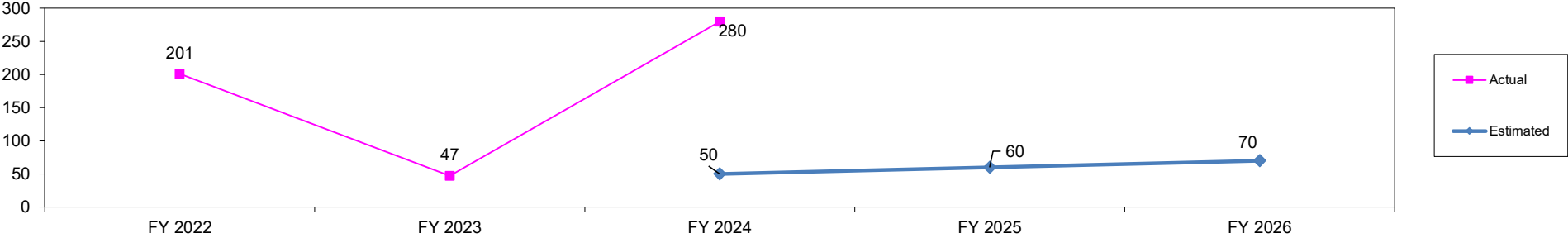
\$88.64 in new economic output totaling **\$13,281.23** million

TAX CREDIT ANALYSIS

Program Name: Business Facility Headquarters Tax Credit (BFC)

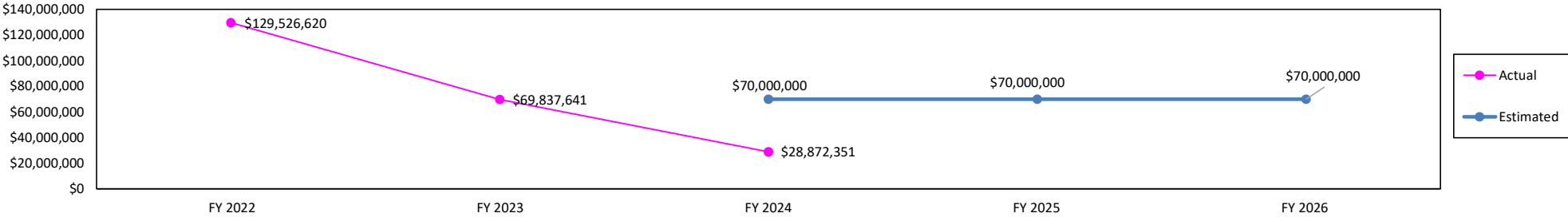
PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure:
Benefits are based on the number of new jobs above the base. For the purposes of reporting, the number that is indicated here is net new year to year, so that there is no double counting of new jobs. For the projects for which credits were issued, the jobs were not net new for this fiscal year but did have new jobs over the base.

New Investment



Comments on Performance Measure:
Benefits are based on the amount of investment above the base. For purposes of reporting, the amount that is indicated here is net new year to year, so that there is no double counting of new investment.



ENHANCED ENTERPRISE ZONE TAX BENEFIT PROGRAM

PURPOSE

Provide tax credits to new or expanding businesses in a Missouri Enhanced Enterprise Zone.

AUTHORIZATION

Sections 135.950 to 135.973, RSMo

ELIGIBLE AREAS

Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic Development (DED). Zone designation is based on certain demographic criteria, the potential to create sustainable jobs in a targeted industry and a demonstrated impact on local industry cluster development. The Zone designation demographic criteria currently utilizes population and income data from the 2000 Census, U.S. Census Bureau. Unemployment information is updated annually using data from the U.S. Bureau of Labor Statistics.

ELIGIBLE APPLICANTS

An eligible business must be located in a Missouri Enhanced Enterprise Zone (EEZ). Individual business eligibility will be determined by the zone, based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the state. Headquarters or administrative offices of an otherwise excluded business may qualify if the offices serve a multi-state territory. See application for complete information.

Ineligible Applicants:

Gambling establishments (NAICS group 7132),
Retail trade (NAICS sectors 44 & 45),
Educational services (NAICS sector 61),
Religious organizations (NAICS group 8131),
Public administrations (NAICS sector 92) and
Food and drinking places (NAICS subsector 722) are prohibited by statute from receiving the state tax credits.

ELIGIBILITY CRITERIA

The Enhanced Enterprise Zone program is a discretionary program offering state tax credits, accompanied by local real property tax abatement, to Enhanced Business Enterprises.

Tax credits may be provided each year for five tax years after the project commences operations.

To receive tax credits for any of the years, the facility must create and maintain the minimum:

- New or expanded business facility – 2 new employees and \$100,000 new investment;

- Replacement business facility – 2 new employees and \$1,000,000 new investment
- Company must offer health insurance at all times, of which at least 50% is paid by the employer, to all full time employees in Missouri.

Eligible investment expenditures include the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to Ch. 143 – Income tax, excluding withholding tax.

Tax credits can only be applied to tax liability for the year in which they were earned. The tax credits are refundable or may be transferred, sold or assigned. The sale price cannot be less than 75% of the par value of such tax credits.

FUNDING LIMITS

Tax credits will be an amount authorized by DED, based on the state economic benefit, supported by the number of new jobs, wages and new capital investment that the project will create. Tax credits issued under this program are limited to \$24,000,000 annually, effective August 28, 2008.

APPLICATION/APPROVAL PROCEDURE

DED must first offer program benefits to the business in the form of a formal proposal. The company must return the accepted proposal within 90 days of the proposal date.

The company must submit the Notice of Intent (NOI), (Application & guidelines, pages 7-9), and be notified of approval before any new construction, and/or purchase of machinery and equipment can be eligible as new investment. NOIs will be accepted by DED at any time of the year and will be approved on an individual, case-by-case basis, based on compliance with all program criteria.

REPORTING REQUIREMENTS

Annual Application for Tax Credits –

The facility must file the Annual Application for Tax Credits and supporting documents each year for calculation of the facility's state tax benefits. See page 10 of the application for a list of requirements. The deadline for submitting the Annual Application for Tax Credits is during the tax period immediately after the tax period for which the credits are being requested.

SB 1099 Reporting –

The "Tax Credit Accountability Act" reporting form must be returned for this program to DOR by June 30 of each

year. Contact (573) 526-8733 (Personal Tax) or (573) 751-4541 (Corporate Tax) with any questions.

SPECIAL PROGRAM REQUIREMENTS

Applicants must be eligible for and receive at least ten years' local property tax abatement at 50% pursuant to the local enhanced enterprise zone plan.

Projects relocating employees from one Missouri location to another Missouri location must obtain the endorsement of the governing body of the community from which the jobs are being relocated and include this endorsement with the Notice of Intent.

A business cannot earn tax credits under this program if earning Enterprise Zone, Business Facility, Quality Jobs, Rebuilding Communities or Brownfield Jobs and Investment tax credits for the same project for the same tax period.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: ded.mo.gov

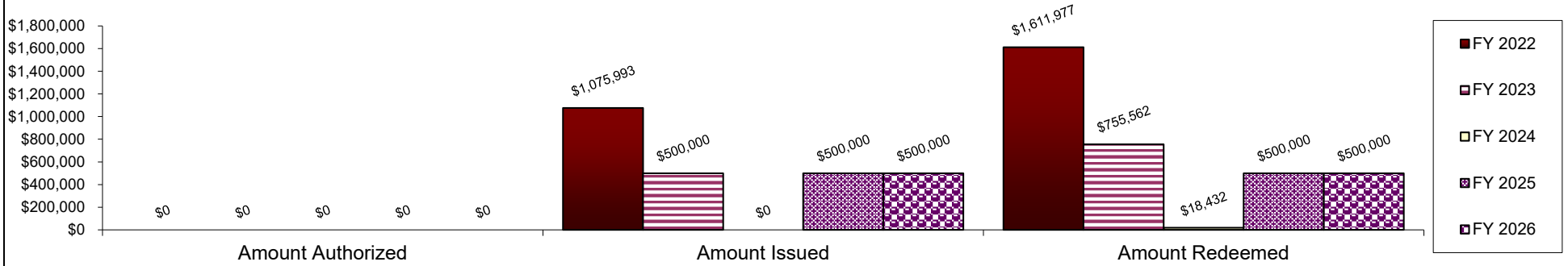
TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|---|---|---|----------------------------|--|
| Program Name: Enhanced Enterprise Zone (EEZ) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Business Recruitment | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Sections 135.950-135.973, RSMo | | Applicable Taxes: Income Tax | | | | |
| Tax Credit Creation Date: 2004 | | Year of Last Legislative Change: 2021 | | | | |
| Program Description and Eligibility Requirements: Tax credits to new or expanding businesses in enhanced enterprise zones. At least two new jobs must be created or maintained and at least \$100,000 of new investment within the zone. Business eligibility determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Businesses also qualify for local abatement. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> No | | Discretionary <input type="checkbox"/> Yes | | |
| Tax credits shall be the lesser of a formula amount based on number of jobs created, number of employees who are residents of the zone, number of employees paid wages above the county average wage and amount of new capital investment OR an amount authorized by DED that is limited to the projected state economic benefit. The credits may be provided each year for up to ten tax years after the project commences operations. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 24 million None _____ Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | |
| Explanation of Cap: Annual calendar year cap increased from \$4 million to \$7 million beginning January 1, 2007. Effective December 2007, the annual calendar year cap increased again from \$7 million to \$14 million. Effective August 28, 2008, the annual calendar year cap increased to \$24 million. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes | | Date of Sunset 8/27/2013 | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: No new projects may be proposed after August 27, 2013. | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="checkbox"/> n/a | | Carry Back <input type="checkbox"/> n/a | | Refundable <input type="checkbox"/> No | | Apportioned <input type="checkbox"/> No |
| Sellable/Assignable <input type="checkbox"/> Yes | | Organizations Remit an Offset <input type="checkbox"/> No | | Additional Federal Deductions/Credits Available <input type="checkbox"/> No | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| 2021: SB 153 and SB 97 | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 0 | 0 | 1 | 1 | 1 |
| Projects/Participants (#) | 0 | 0 | 1 | 1 | 1 | 1 |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amount Issued | \$1,075,993 | \$500,000 | \$0 | \$500,000 | \$500,000 | \$500,000 |
| Amount Redeemed | \$1,611,977 | \$755,562 | \$18,432 | \$0 | \$500,000 | \$500,000 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$500,000 | | FY 2024 EST. Amount Authorized but Unissued | | \$15,293,126 | |
| | | | | | | |

TAX CREDIT ANALYSIS

| | |
|----------------------|---------------------------------------|
| Program Name: | Enhanced Enterprise Zone (EEZ) |
|----------------------|---------------------------------------|

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (indicated time period) |
|--------------------------|---------------------|--|
| BENEFITS | | |
| Direct Fiscal Benefits | | |
| Indirect Fiscal Benefits | | |
| Total | \$0 | \$0 |
| COSTS | | |
| Direct Fiscal Costs | | |
| Indirect Fiscal Costs | | |
| Total | \$0 | \$0 |
| BENEFIT: COST | #DIV/0! | #DIV/0! |

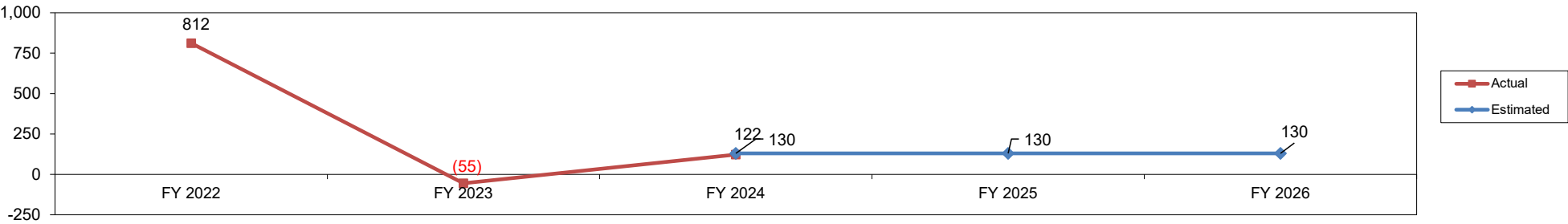
| |
|--|
| Derivation of Benefits: No authorizations in FY2024. |
|--|

Other Benefits:

TAX CREDIT ANALYSIS

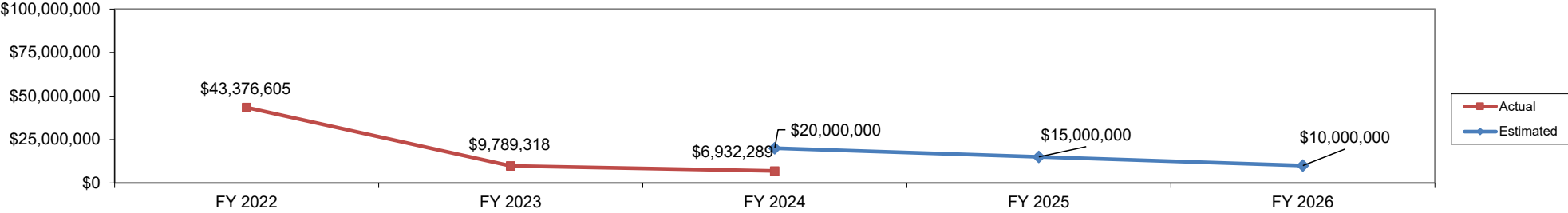
| | |
|------------------------|--------------------------------|
| Program Name: | Enhanced Enterprise Zone (EEZ) |
| PERFORMANCE MEASURE(S) | |

Permanent Net New Jobs Created Over Previous Year



Comments on Performance Measure:

Net New Investment Over Previous Year



Comments on Performance Measure:



ENTERTAINMENT JOBS MUSIC INDUSTRY TAX CREDIT PROGRAM

PURPOSE

This is a tax credit to recruit touring entities to rehearse and perform in Missouri.

AUTHORIZATION

Section 135.753, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

This program is open to eligible productions that spend at least \$1 million and a minimum of ten days at a qualified rehearsal facility in Missouri and hold at least 2 ticketed live concerts in Missouri. Each concert must have at least 1,000 in-person attendees.

PROGRAM BENEFITS/ELIGIBLE USES

The program provides state tax credits equal to 30% of eligible rehearsal and tour expenses in Missouri when utilizing a qualified rehearsal facility.

FUNDING LIMITS

- The program has an overall cap of \$8 million per fiscal year.
- Applicants are also capped, based on eligible expenses:

| <u>Base Investment</u> | <u>Maximum to be awarded in a fiscal year</u> |
|-----------------------------|---|
| • Less than \$4,000,000 | \$1,000,000 |
| • \$4,000,000 - \$7,999,999 | \$2,000,000 |
| • \$8,000,000 or more | \$3,000,000 |

APPLICATION/APPROVAL PROCEDURE

An application is submitted to the Missouri Film Office to determine the eligibility.

Preliminary applications are accepted on a rolling basis unless the annual cap is exhausted.

As of February 2024, there is currently not a qualified rehearsal facility in Missouri.

CONTACT

Missouri Film Office

301 West High Street, Suite 290

Jefferson City, MO • 65102

Phone: 573-526-3566

E-mail: mofilm@ded.mo.gov

Web: www.mofilm.org

TAX CREDIT ANALYSIS

| | | | | | | |
|---|-----------------------|--|-----------------------|--|----------------------------|--|
| Program Name: Entertainment Industry Jobs Act | | | | | | |
| Department: Economic Development | | Contact Name & No.: Andrea Sporcic Klund (573) 526-2102 | | | Date: January 2025 | |
| Program Category: Business Recruitment | | Type: <input type="checkbox"/> Tax Credit <input checked="" type="checkbox"/> | | Other: | | |
| Statutory Authority: Section 135.753, RSMo | | Applicable Taxes: Income Tax | | | | |
| Tax Credit Creation Date: 1/1/2024 | | Year of Last Legislative Change: | | | | |
| Program Description and Eligibility Requirements: Provides a tax credit for rehearsal and tour expenses that meet the minimum rehearsal and tour requirements. | | | | | | |
| Explanation of How Award is Computed: A tax credit for 30% of rehearsal and tour expenses that meet the minimum rehearsal and tour requirements. | | Entitlement <input type="checkbox"/> Yes <input checked="" type="checkbox"/> | | Discretionary <input type="checkbox"/> No <input checked="" type="checkbox"/> | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 8 Million _____ None _____ Cap Shared Between Programs <input type="checkbox"/> No <input checked="" type="checkbox"/> Which Program(s)? _____ | | | | | | |
| Explanation of Cap: The annual cap is \$8,000,000 for Entertainment Industry Jobs Act. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> | | Date of Sunset 12/31/2030 | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: The provisions of the program authorized under this section shall automatically sunset December 31, 2030. | | | | | | |
| Specific Provisions: (if applicable) Carry forward <input type="checkbox"/> 5 years <input checked="" type="checkbox"/> Carry Back <input type="checkbox"/> n/a <input checked="" type="checkbox"/> Refundable <input type="checkbox"/> No <input checked="" type="checkbox"/> Apportioned <input type="checkbox"/> No <input checked="" type="checkbox"/> Appropriated <input type="checkbox"/> No <input checked="" type="checkbox"/> Sellable/Assignable <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Organizations Remit an Offset <input type="checkbox"/> No <input checked="" type="checkbox"/> Additional Federal Deductions/Credits Available <input type="checkbox"/> No <input checked="" type="checkbox"/> | | | | | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 0 | 0 | 0 | 8 | 8 |
| Projects/Participants (#) | 0 | 0 | 0 | 0 | 8 | 8 |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$8,000,000 | \$8,000,000 |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$8,000,000 | \$8,000,000 |
| Amount Redeemed | \$0 | \$0 | \$0 | \$0 | \$4,000,000 | \$4,000,000 |
| FY 2024 EST. Amount Outstanding \$0 | | FY 2024 EST. Amount Authorized but Unissued | | \$0 | | |

TAX CREDIT ANALYSIS





MOTION MEDIA TAX CREDIT PROGRAM

PURPOSE

Provide an incentive for recruiting film, television, and other motion media productions to Missouri.

AUTHORIZATION

Section 135.750, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

This program is open to any production company that:

- Meets the minimum spending requirement of \$50,000 for projects thirty minutes or under, and \$100,000 for projects over 30 minutes.
- Hires 2-8 (exact number based on project budget) Missouri residents who are veterans and/or registered apprentices.
- Creates a production which excludes news or current events, talk shows, sports events or programs, award shows, infomercials, political ads, or obscene content as defined in § 573.010, RSMo.

PROGRAM BENEFITS/ELIGIBLE USES

The program provides state tax credits equal to 20% - 42% of eligible costs and expenses of the eligible production.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

The credit's special attributes:

- Carry forward 5 years

FUNDING LIMITS

The overall program cap is \$16 million, with \$8 million designated for films and \$8 million designated for series.

APPLICATION/APPROVAL PROCEDURE

An application is submitted to the Missouri Film Office to determine the eligibility of the production and determine the tax credit percentage for which the project qualifies.

Preliminary applications are accepted on a rolling basis as long as annual cap is available.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to the Missouri Department of Revenue by June 30 each year for three years following the year of the first issuance of tax credits.

CONTACT

Missouri Film Office

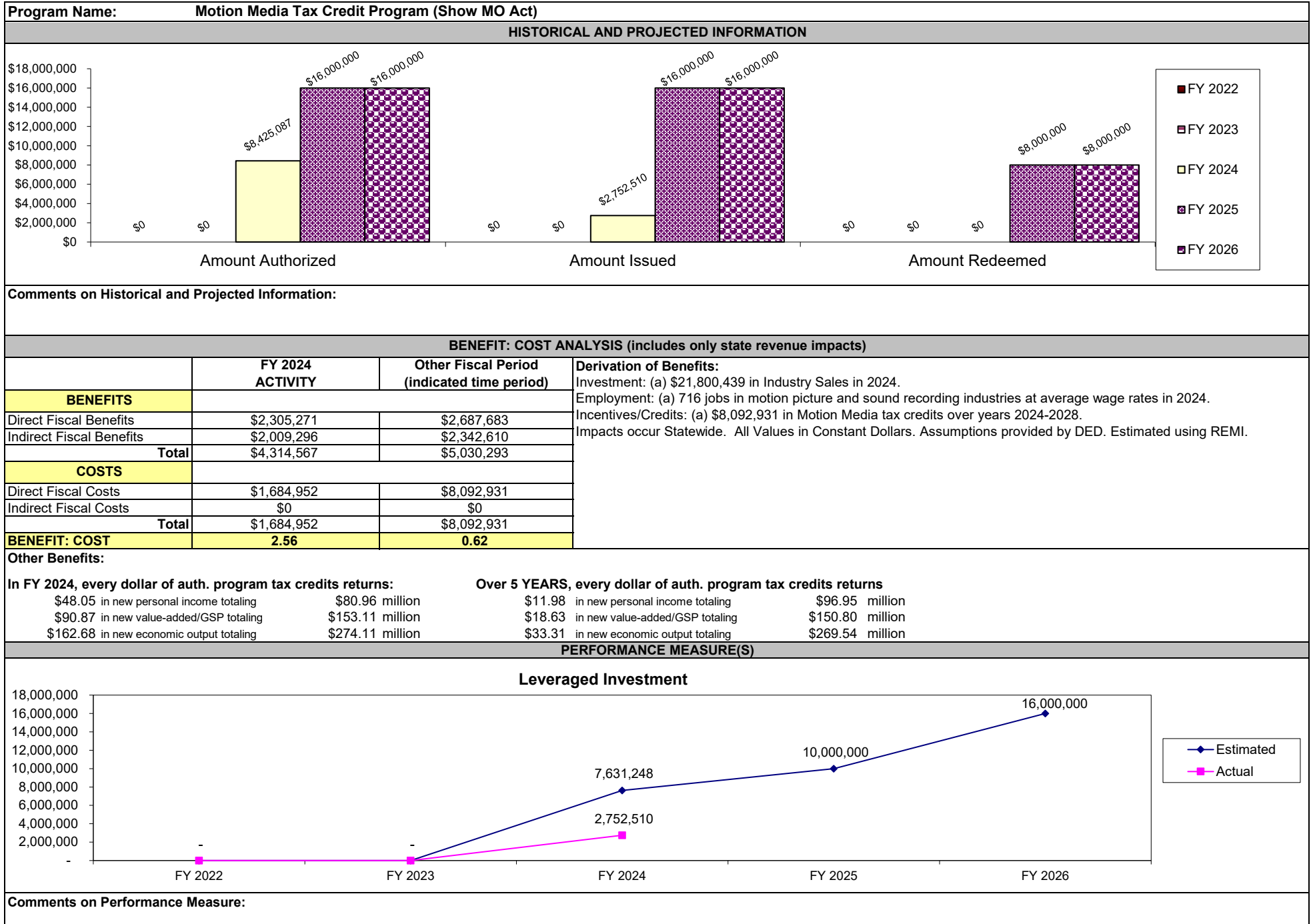
301 West High Street,
Suite 290 Jefferson City,
MO • 65102

Phone: 573-526-3566
mofilm@ded.mo.gov
www.mofilm.org

TAX CREDIT ANALYSIS

| | | | | | | | |
|--|-----------------------|--|---|---|----------------------------|---|--|
| Program Name: Motion Media Tax Credit Program (Show MO Act) | | | | | | | |
| Department: Economic Development | | Contact Name & No.: Andrea Sporic Klund (573) 526-2102 | | | Date: January 2025 | | |
| Program Category: Business Recruitment | | Type: Tax Credit | | Other: | | | |
| Statutory Authority: Section 135.750, RSMo | | Applicable Taxes: Corporate and Individual Income Tax, Financial Institutions Tax | | | | | |
| Tax Credit Creation Date: 8/28/2023 | | Year of Last Legislative Change: | | | | | |
| Program Description and Eligibility Requirements: Provides a tax credit for in-state expenditures on qualified motion media productions. Productions that are under 30 minutes must have a minimum spend of \$50,000; productions more than 31 minutes must have a minimum spend of \$100,000. | | | | | | | |
| Explanation of How Award is Computed: The tax credit is equal to 20-42% of qualifying expenses. | | Entitlement <input type="text" value="No"/> | | Discretionary <input type="text" value="Yes"/> | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 16 million None _____ | | | | | | | |
| Cap Shared Between Programs <input type="text" value="No"/> | | Which Program(s)? _____ | | | | | |
| Explanation of Cap: The \$16 million cap includes \$8 million for film productions and \$8 million for series productions. | | | | | | | |
| Sunset Provision: <input type="text" value="Yes"/> | | Date of Sunset 12/31/2029 | | Date of Last Sunset Extension _____ | | | |
| Explanation of Expiration of Authority: The provisions of the program authorized under this section shall automatically sunset December 31, 2029 | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | |
| Carry forward <input type="text" value="5 years"/> | | Carry Back <input type="text" value="n/a"/> | | Refundable <input type="text" value="No"/> | | Apportioned <input type="text" value="No"/> | |
| Sellable/Assignable <input type="text" value="Yes"/> | | Organizations Remit an Offset <input type="text" value="No"/> | | Additional Federal Deductions/Credits Available <input type="text" value="No"/> | | | |
| Comments on Specific Provisions: | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: SB 94 passed during FY2023 regular session. | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | |
| Certificates Issued (#) | 0 | 0 | 1 | 1 | 10 | 10 | |
| Projects/Participants (#) | 0 | 0 | 4 | 5 | 10 | 10 | |
| Amount Authorized | \$0 | \$0 | \$8,425,087 | \$2,016,064 | \$16,000,000 | \$16,000,000 | |
| Amount Issued | \$0 | \$0 | \$2,752,510 | \$1,764,472 | \$16,000,000 | \$16,000,000 | |
| Amount Redeemed | \$0 | \$0 | \$0 | \$4,115 | \$8,000,000 | \$8,000,000 | |
| | | | | | | | |
| FY 2024 EST. Amount Outstanding | \$2,752,510 | | FY 2024 EST. Amount Authorized but Unissued | | \$5,672,577 | | |

TAX CREDIT ANALYSIS



Authorization

Sections 620.2000 to 620.2020

Eligible Applicants

- For-profit or nonprofit businesses
- Not eligible:
 - Gambling establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, healthcare and social services, or store front consumer-based retail trade establishments not located in a third- or fourth- class county.
 - Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
 - Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
 - Businesses that are relocating jobs from Johnson, Miami, or Wyandotte counties in Kansas to Jackson, Platte, Clay or Cass Counties in Missouri. However, net new jobs created above a qualified company's base employment may be eligible for benefits.
- Note: Headquarters, administrative, or research and development offices of otherwise excluded businesses may be eligible if the predominant function of such offices is to serve a multistate territory.

Application/Approval Procedure

Prior to the receipt of a DED proposal or approval of a notice of intent (NOI), none of the following can have occurred:

- Significant, project-specific site work at the project facility
- Purchased machinery or equipment related to the project
- A publicly announced intention to make new capital investment at the project facility

A qualified company may request a proposal for estimated benefits or apply directly with an NOI to DED. DED will then confirm the business is eligible; establish the date at which "base employment" is calculated; reserve the estimated tax credits for the project (if any); and establish the two-year deadline date by which the minimum thresholds for the creation of the new jobs, investment, etc. must be met.

Program Benefits

Program benefits include (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements. For definitions of "full-time employee," "new jobs," and "project facility base employment," please see the Missouri Works Program Guidelines.

Eligibility Criteria

In addition to the Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits. The criteria for the discretionary benefits include:

- The least amount necessary to obtain the company's commitment;
- The amount of the project's projected net fiscal benefit to the state and the period in which the state would realize such net fiscal benefit;

- The overall size (number of jobs, payroll, new capital investment) and quality (average wages, growth potential of the company, multiplier effect of the industry) of the project;
- The financial stability and creditworthiness of the company;
- The level of economic distress of the project area;
- The competitiveness of alternative locations; and
- The percentage of local incentives committed to the project.

Funding Limits—Program Caps

- \$116 million in tax credits
- Note: Up to 21.5% of tax credit cap may be set aside for the Deal Closing Fund.
- \$10 million in tax credits for infrastructure projects
- \$75 million in withholdings for companies with a base employment of 50 or more.

Attributes of the Tax Credits

The tax credits may be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institution tax) liabilities. Tax credits must be claimed within one year of the close of the taxable year

| Program | Minimum New Jobs | Minimum New Private Capital Investment | Minimum Average Wage | Automatic Benefit |
|-----------------------------|------------------|--|--------------------------|---|
| Zone Works ¹ | 2 | \$100,000 | 80% of County Avg. Wage | WH, 5 or 6 years ³ |
| Rural Works ² | 2 | \$100,000 | 90% of County Avg. Wage | WH, 5 or 6 years ³ |
| Statewide Works | 10 | N/A | 90% of County Avg. Wage | WH, 5 or 6 years ³ |
| Mega Works 120 | 100 | N/A | 120% of County Avg. Wage | 6% of new payroll, 5 or 6 years ³ |
| Mega Works 140 | 100 | N/A | 140% of County Avg. Wage | 7% of new payroll, 5 or 6 years ³ |
| Qualified Military Projects | 10 | Real or personal property amount as outlined in the proposal | 90% of County Avg. Wage | Tax credits equal to the estimated WH taxes for a term up to 15 years. Must receive a proposal for benefits |

¹"WH" means the retention of the state withholding tax of the new jobs.

1. Project facility must be located in an Enhanced Enterprise Zone
2. Project Facility must be located in a "rural" county, which would NOT include Boone, Buchanan, Cape Girardeau, Cass, Christian, Clay, Cole, Franklin, Greene, Jackson, Jasper, Jefferson, Platte, St. Charles, and St. Louis City and County.
3. Benefit period is 5 years, or 6 years for existing Missouri Companies (those that have been operational in Missouri for at least 10 years).



for which they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any annual unused balance is fully refundable. The credits may also be transferred, sold or assigned.

Reporting Requirements

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period and may require repayment. The Tax Credit Accountability Act Reporting Form must also be submitted to the Department of Revenue by June 30 each year the company receives tax credits and for three years following the issuance of the tax credits.

Special Program Requirements

Special conditions apply when Missouri Works is used at the same time as other programs that affect state withholding taxes (e.g. Missouri One Start, State Tax Increment Financing).

- AGI of \$15-20,000 1.13%
- AGI of \$20-25,000 1.79%
- AGI of \$25-30,000 2.28%
- AGI of \$30-35,000 2.62%
- AGI of \$35-40,000 2.85%
- AGI of \$40-45,000 2.98%
- AGI of \$45-50,000 3.06%
- AGI of \$50-55,000 3.16%
- AGI of \$55-60,000 3.22%
- AGI of \$60-65,000 3.28%
- AGI of \$65-70,000 3.33%
- AGI of 70-75,000 3.41%
- AGI of \$75-100,000 3.19%
- AGI of \$100-200,000 2.81%

County Average Wages (Effective until 6/30/2025)

Average county wages are based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

| County | Average Annual Wage | County | Average Annual Wage |
|----------------|---------------------|-----------|---------------------|
| Adair | \$42,224 | Chariton | \$42,484 |
| Andrew | \$38,948 | Christian | \$41,704 |
| Atchison | \$45,500 | Clark | \$35,152 |
| Audrain | \$45,760 | Clay | \$61,672 |
| Barry | \$45,136 | Clinton | \$44,772 |
| Barton | \$43,576 | Cole | \$53,196 |
| Bates | \$39,988 | Cooper | \$39,884 |
| Benton | \$34,008 | Crawford | \$47,476 |
| Bollinger | \$39,104 | Dade | \$38,636 |
| Boone | \$50,388 | Dallas | \$30,732 |
| Buchanan | \$57,824 | Daviess | \$37,492 |
| Butler | \$41,860 | DeKalb | \$45,396 |
| Caldwell | \$45,916 | Dent | \$38,844 |
| Callaway | \$58,240 | Douglas | \$33,748 |
| Camden | \$44,668 | Dunklin | \$33,852 |
| Cape Girardeau | \$52,156 | Franklin | \$50,856 |
| Carroll | \$42,068 | Gasconade | \$37,284 |
| Carter | \$31,304 | Gentry | \$43,680 |
| Cass | \$46,124 | Greene | \$54,912 |
| Cedar | \$35,932 | Grundy | \$41,392 |

| County | Average Annual Wage | County | Average Annual Wage |
|-------------|---------------------|----------------|---------------------|
| Harrison | \$39,364 | Perry | \$47,476 |
| Henry | \$43,576 | Pettis | \$45,292 |
| Hickory | \$32,916 | Phelps | \$45,344 |
| Holt | \$46,644 | Pike | \$42,380 |
| Howard | \$42,900 | Platte | \$58,240 |
| Howell | \$42,432 | Polk | \$41,756 |
| Iron | \$46,020 | Pulaski | \$35,724 |
| Jackson | \$62,556 | Putnam | \$37,388 |
| Jasper | \$48,412 | Ralls | \$52,052 |
| Jefferson | \$47,840 | Randolph | \$50,440 |
| Johnson | \$40,092 | Ray | \$45,292 |
| Knox | \$41,392 | Reynolds | \$46,072 |
| Laclede | \$45,084 | Ripley | \$27,040 |
| Lafayette | \$42,432 | Saline | \$45,240 |
| Lawrence | \$46,020 | Schuyler | \$42,640 |
| Lewis | \$43,316 | Scotland | \$37,180 |
| Lincoln | \$51,428 | Scott | \$48,204 |
| Linn | \$41,652 | Shannon | \$33,644 |
| Livingston | \$43,004 | Shelby | \$43,524 |
| Macon | \$39,104 | St Charles | \$58,448 |
| Madison | \$37,804 | St Louis City | \$62,556 |
| Maries | \$39,312 | St Louis Co | \$62,556 |
| Marion | \$49,972 | St. Clair | \$37,024 |
| McDonald | \$43,836 | St. Francois | \$40,456 |
| Mercer | \$50,388 | Ste. Genevieve | \$54,236 |
| Miller | \$41,808 | Stoddard | \$45,084 |
| Mississippi | \$40,768 | Stone | \$36,660 |
| Moniteau | \$45,656 | Sullivan | \$52,312 |
| Monroe | \$38,792 | Taney | \$39,936 |
| Montgomery | \$49,400 | Texas | \$37,076 |
| Morgan | \$37,284 | Vernon | \$43,940 |
| New Madrid | \$45,968 | Warren | \$49,036 |
| Newton | \$52,104 | Washington | \$35,672 |
| Nodaway | \$41,808 | Wayne | \$34,840 |
| Oregon | \$33,748 | Webster | \$42,952 |
| Osage | \$48,880 | Worth | \$29,016 |
| Ozark | \$31,252 | Wright | \$39,884 |
| Pemiscot | \$36,400 | Statewide | \$62,556 |

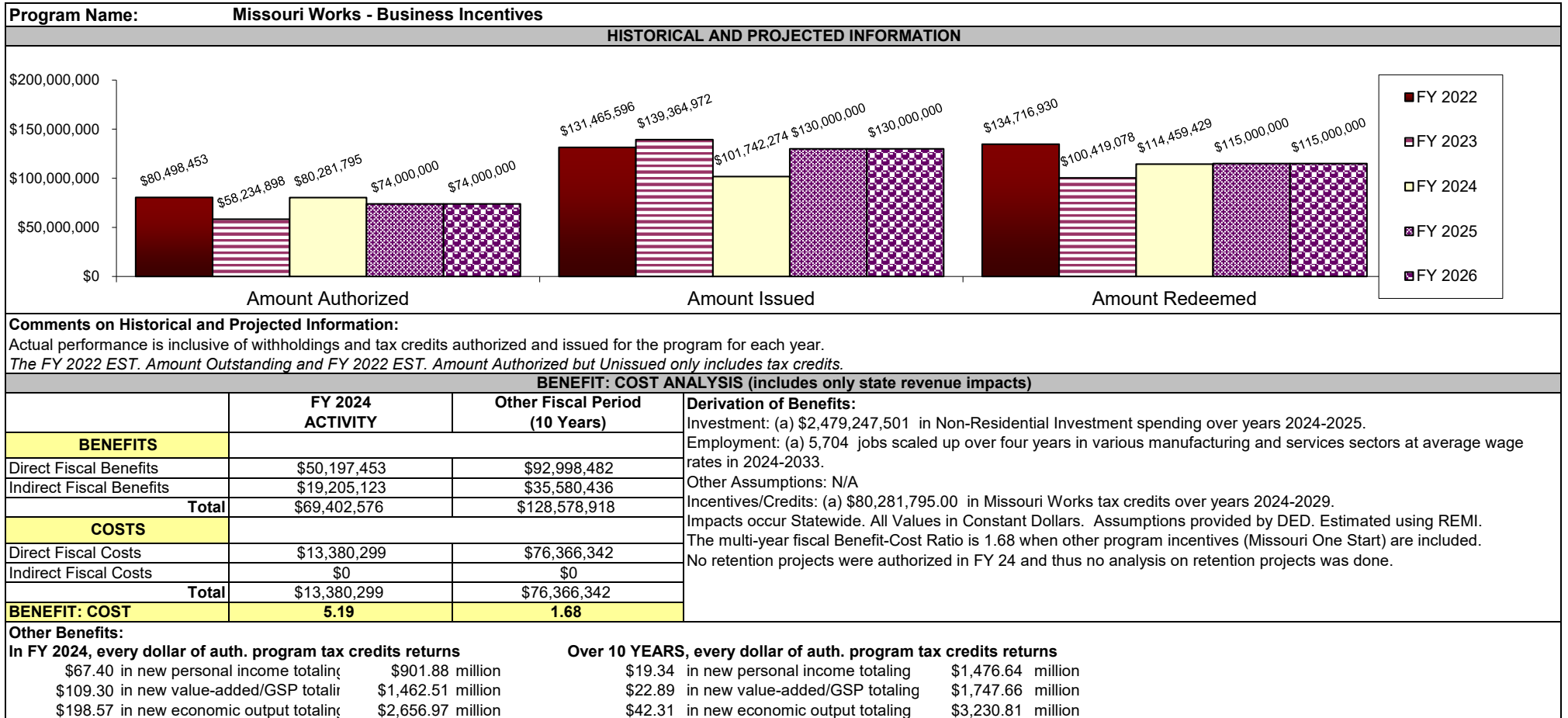
Statewide average of \$62,556 applicable to any county over the statewide average when determining eligibility. (Jackson, St. Louis County and City) The wage represents an average for all private industries. If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.



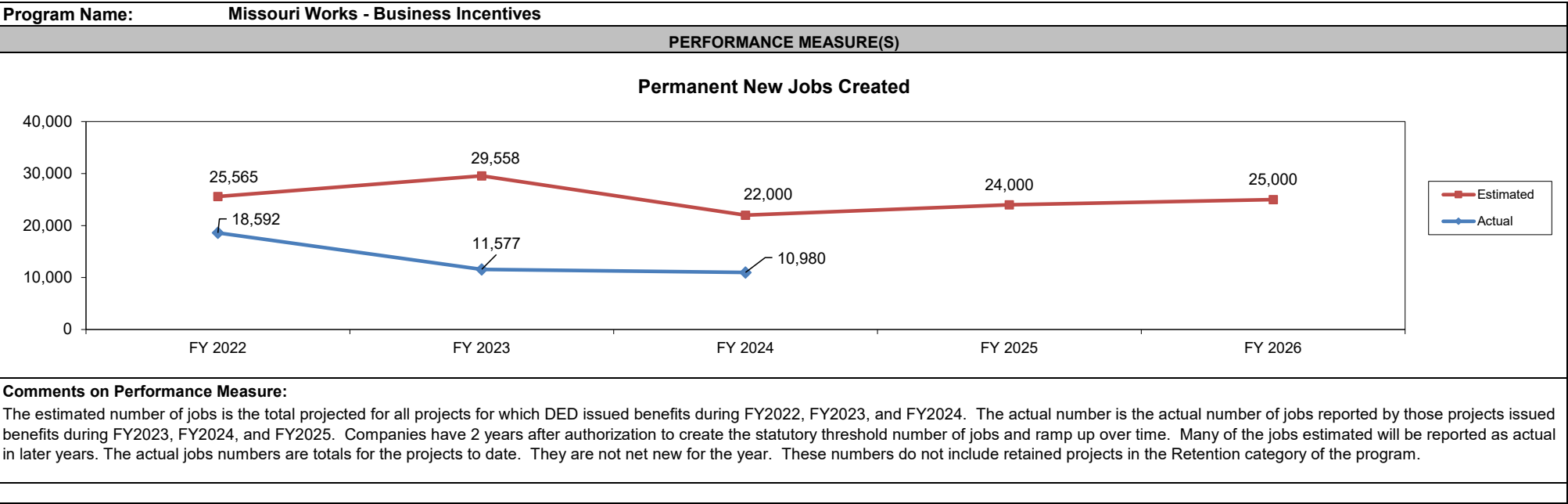
TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|--|---|--|----------------------------|------------------------------|
| Program Name: Missouri Works - Business Incentives | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Business Recruitment | | Type: | Other (specify) | Other: Retention of state withholding tax of the new jobs. | | |
| Statutory Authority: Sections 620.2000-620.2020, RSMo | | Applicable Taxes: Income Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax | | | | |
| Tax Credit Creation Date: 2013 | | Year of Last Legislative Change: 2022 | | | | |
| Program Description and Eligibility Requirements: To qualify, a company must create or retain a minimum number of new jobs at the project facility, meet average wage requirements, and must offer and pay at least 50% of the health insurance premiums. For-profit and non-profit businesses except for gambling, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, healthcare and social services, companies that are delinquent in payment of any nonprotested taxes or other payments, and businesses that have filed or have publicly announced their intention to file for bankruptcy, unless certain requirements are met. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> Yes | Discretionary <input type="checkbox"/> Yes | | | |
| Zone Works (2 new jobs, 80% of county average wage, \$100,000 investment, located in Enhanced Enterprise Zone) and Rural Works (2 new jobs, 90% of county average wage, \$100,000 investment located in a rural county) provide benefits of retention of 100% of the withholdings of the new jobs for 5-6 years. Statewide Works (10 new jobs, 90% of county average wage) provides benefits of retention of withholdings or a combination of retention of withholdings and tax credits for up to 9% of payroll on the new jobs. Mega Works 120 and 140 (100 new jobs, 120% and 140% of county average wage, respectively) provide benefits of a combination of retention of withholdings and tax credits totaling from 6% to 7%, respectively, to up to 9% of payroll of the new jobs. Retention Works provides benefits of the retention of withholding tax for up to 100% of the withholdings of the new jobs for up to 10 years. Retention Works-Auto Manufacturing (\$500M in investment) provides a benefit of tax credits. Qualified Military Projects (10 new jobs, 90% of county average wage, investment as agreed to in proposal) provides tax credits in the amount of withholding taxes. Deal Closing Fund (10 new jobs, 100% of county average wage) provides benefits for a tax credit within 1 year. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 201 million _____ None _____ | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No | | Which Program(s)? _____ | | | | |
| Explanation of Cap: The tax credit cap is \$126 million (\$10 million for auto manufacturing, \$10 million for infrastructure, \$6 million for retention, and \$100 million for other projects). The withholdings cap depends on the size of the base for the project. For projects with a base of more than 50, the retained withholdings cap is \$75 million. There is no cap on the retained withholdings for new job creation projects that have a base of 50 or less. | | | | | | |
| Sunset Provision: <input type="checkbox"/> Yes | | Date of Sunset 8/28/2030 | | Date of Last Sunset Extension 8/28/2018 | | |
| Explanation of Expiration of Authority: Missouri Works sunsets August 28, 2030. | | | | | | |
| Specific Provisions: (if applicable) Carry forward <input type="checkbox"/> n/a Carry Back <input type="checkbox"/> n/a Refundable <input type="checkbox"/> Yes Apportioned <input type="checkbox"/> No Appropriated <input type="checkbox"/> No Sellable/Assignable <input type="checkbox"/> Yes Organizations Remit an Offset <input type="checkbox"/> No Additional Federal Deductions/Credits Available <input type="checkbox"/> No | | | | | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: 2019 S.B. 68 merged with S.B. 180, A.L. 2021 S.B. 2 merged with S.B. 120 merged with S.B. 153 & 97 2022 H.B. 2400 | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 63 | 69 | 53 | 19 | 62 | 62 |
| Projects/Participants (#) | 84 | 63 | 69 | 47 | 72 | 72 |
| Amount Authorized | \$80,498,453 | \$58,234,898 | \$80,281,795 | \$44,362,467 | \$74,000,000 | \$74,000,000 |
| Amount Issued | \$131,465,596 | \$139,364,972 | \$101,742,274 | \$52,226,851 | \$130,000,000 | \$130,000,000 |
| Amount Redeemed | \$134,716,930 | \$100,419,078 | \$114,459,429 | \$64,223,441 | \$115,000,000 | \$115,000,000 |
| FY 2024 EST. Amount Outstanding | | \$37,128,409 | | FY 2024 EST. Amount Authorized but Unissued | | \$245,944,726 |

TAX CREDIT ANALYSIS



TAX CREDIT ANALYSIS





MISSOURI QUALITY JOBS PROGRAM

Facilitate the creation of quality jobs by targeted business projects.

AUTHORIZATION

Section 620.1875-620.1900, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

For-profit and non-profit businesses [except for gambling, retail trade, food and drinking places, public utilities, educational services, ethanol distillation or production facilities, biodiesel production facilities, religious organizations, and public administration companies or businesses that are delinquent in non-protested taxes or other payments (state, federal or local), or any company that has filed for or has publicly announced its intention to file for bankruptcy.] Headquarters or administrative offices of otherwise excluded businesses that serve a multi-state area may qualify in some cases. The average wage of the new jobs must equal or exceed the county average wage (as published by DED), and the company must offer health insurance and pay at least 50% of the premium for all full-time employees in Missouri.

Average Wage: Total annual payroll of the new jobs divided by the average annual number of new jobs.

ELIGIBILITY CRITERIA

The business must create a minimum number of new jobs at the project facility prior to the "deadline" date, based on the type of project:

Small/Expanding businesses:

- Rural areas: 20 or more new jobs within two years of the date of DED's approval.
- Non-rural areas: 40 or more new jobs within two years of the date of DED's approval.

*Non-rural areas include the counties of Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis city and county.

Technology businesses (classified by NAICS codes):

- 10 or more new jobs within two years of the date of DED's approval.

High Impact businesses:

- 100 or more new jobs within two years of the date of the hiring of the first new job, and the first new job must be within one year of the date of DED's approval.

PROGRAM BENEFITS/ELIGIBLE USES

For "Small/Expanding" businesses, the benefit of the program is the retention of the state withholding tax of the new jobs.

For "Technology" and "High Impact" businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (b) state tax credits, which are refundable, transferable and/or saleable. The program benefits are based on a percentage of the payroll of the new jobs.

The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

This tax credit can be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institutions tax). Tax credits must be claimed within one year of the close of the taxable year that they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any unused balance is refundable. The credits may also be transferred, sold or assigned.

The program benefits are calculated as follows:

Small/Expanding businesses: Retain 100% of the withholding tax of the new jobs, each year for the benefit period of:

- Three years - if the average wage of new jobs is 100-119% of county average wage; or
- Five years - if the average wage of new jobs is at least 120% of county average wage.

Technology businesses: 5% of the payroll of the new jobs each year for five years; plus:

- "Average Wage Bonus"

High Impact businesses: 3% of the payroll of the new jobs each year for five years; plus:

- "Average Wage Bonus"
- "Local Incentives Bonus"

"Average Wage Bonus": Company average wage as a percentage of county average wage:

- Greater than 120% and up to 140%: ½% bonus of payroll of the new jobs.
- Greater than 140%: 1% bonus of payroll of the new jobs.

"Local Incentives Bonus": Amount of local incentives provided to the project as a percentage of the amount of new local tax revenues derived from the project, over 10 years:

- 10-24%: 1% bonus of payroll of the new jobs.
- 25-49%: 2% bonus of payroll of the new jobs.
- 50% or more: 3% bonus of payroll of the new jobs.

Each time the business meets the minimum new job threshold, it may start a new benefit period for the net new jobs created. There is no limit on the number of benefit periods a company may use the program, as long as a new Notice of Intent is completed and minimum new job thresholds and other program qualifications are met.

"New jobs" are defined as full-time (average 35 or more hours/week each year) employees of the company that are employed at the project facility, based on the increase from the "base employment" (the number of full-time jobs at the facility, or the average number for the twelve-month period prior to the Notice of Intent, whichever is higher, on the date DED receives

the Notice of Intent). In the event the company (or a related company) reduced jobs at another facility in Missouri with related operations, the new jobs at the project facility would be reduced accordingly.

FUNDING LIMITS

There is no annual cap on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$80,000,000 per calendar year, and are provided on a first-come basis.

APPLICATION/APPROVAL PROCEDURE

An application ("Notice of Intent") may be submitted to DED at any time of the year by the business. Applications may be obtained at www.missouridevelopment.org. DED's approval will:

- Confirm that the type of project/business is eligible.
- Establish the date "base employment" is calculated.
- Reserve the estimated tax credits for the project.
- Establish the 2-year "deadline" date for the creation of the minimum new jobs to be eligible for the program.

REPORTING REQUIREMENTS

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period. A high-impact project may continue as a small/expanding project as long as new jobs and other program requirements are met. SB1099, or the Tax Credit Accountability Act Reporting Form must be submitted to the Department of Economic Development by June 30th each year the company receives tax credits and for the three years following the end of the benefit period.

SPECIAL PROGRAM REQUIREMENTS

A business cannot simultaneously receive benefits for the same capital investment or the same jobs for the following programs:

- Rebuilding Communities
- Development Tax Credit
- Enhanced Enterprise Zone
- Quality Jobs
- Manufacturing Jobs

Special conditions apply when Quality Jobs is used at the same time as other programs that affect state withholding taxes (Missouri Training, State TIF, MODESA).

Estimated state withholding taxes, based on adjusted gross income (AGI):

- AGI of \$15-20,000 1.21%
- AGI of \$20-25,000 1.92%
- AGI of \$25-30,000 2.45%
- AGI of \$30-35,000 2.82%
- AGI of \$35-40,000 3.06%
- AGI of \$40-45,000 3.20%
- AGI of \$45-50,000 3.29%
- AGI of \$50-55,000 3.40%
- AGI of \$55-60,000 3.46%
- AGI of \$60-65,000 3.53%
- AGI of \$65-70,000 3.58%
- AGI of \$70-75,000 3.67%
- AGI of \$75-100,000 3.43%
- AGI of \$100-200,000 3.02%

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

301 West High Street, Room 770 | P.O. Box 118

Jefferson City, MO | 65102

Phone: 573-751-4539 | Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov | Web: www.ded.mo.gov

County average wages (effective until 6/30/2022):

Average county wages are based on Census of Employment and Wages,

MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

| County | Average Annual Wage | County | Average Annual Wage | County | Average Annual Wage |
|----------------|---------------------|-------------|---------------------|----------------|---------------------|
| ADAIR | \$35,659 | GRUNDY | \$33,808 | PERRY | \$39,716 |
| ANDREW | \$37,419 | HARRISON | \$31,738 | PETTIS | \$38,034 |
| ATCHISON | \$37,404 | HENRY | \$37,825 | PHELPS | \$39,873 |
| AUDRAIN | \$39,430 | HICKORY | \$28,282 | PIKE | \$35,939 |
| BARRY | \$40,423 | HOLT | \$42,688 | PLATTE | \$53,359 |
| BARTON | \$36,845 | HOWARD | \$34,425 | POLK | \$35,164 |
| BATES | \$34,213 | HOWELL | \$36,070 | PULASKI | \$31,920 |
| BENTON | \$30,188 | IRON | \$41,584 | PUTNAM | \$31,766 |
| BOLLINGER | \$32,271 | JACKSON | \$62,310 | RALLS | \$47,892 |
| BOONE | \$48,247 | JASPER | \$42,969 | RANDOLPH | \$41,466 |
| BUCHANAN | \$49,786 | JEFFERSON | \$41,474 | RAY | \$39,254 |
| BUTLER | \$34,908 | JOHNSON | \$36,218 | REYNOLDS | \$39,682 |
| CALDWELL | \$40,038 | KNOX | \$35,732 | RIPLEY | \$23,402 |
| CALLAWAY | \$51,646 | LACLEDE | \$37,650 | SALINE | \$40,868 |
| CAMDEN | \$37,771 | LAFAYETTE | \$36,118 | SCHUYLER | \$30,831 |
| CAPE GIRARDEAU | \$45,171 | LAWRENCE | \$38,354 | SCOTLAND | \$30,058 |
| CARROLL | \$40,175 | LEWIS | \$36,982 | SCOTT | \$41,118 |
| CARTER | \$28,964 | LINCOLN | \$43,461 | SHANNON | \$27,455 |
| CASS | \$39,763 | LINN | \$37,869 | SHELBY | \$36,725 |
| CEDAR | \$29,634 | LIVINGSTON | \$36,713 | ST CHARLES | \$50,936 |
| CHARITON | \$37,118 | MACON | \$35,565 | ST LOUIS CITY | \$67,561 |
| CHRISTIAN | \$35,639 | MADISON | \$32,121 | ST LOUIS CO | \$66,807 |
| CLARK | \$28,917 | MARIES | \$35,243 | ST. CLAIR | \$29,903 |
| CLAY | \$52,999 | MARION | \$41,515 | ST. FRANCOIS | \$34,097 |
| CLINTON | \$39,540 | MCDONALD | \$37,575 | STE. GENEVIEVE | \$47,471 |
| COLE | \$45,498 | MERCER | \$43,945 | STODDARD | \$39,610 |
| COOPER | \$36,639 | MILLER | \$35,045 | STONE | \$31,993 |
| CRAWFORD | \$38,816 | MISSISSIPPI | \$33,235 | SULLIVAN | \$50,516 |
| DADE | \$34,233 | MONITEAU | \$41,443 | TANEY | \$34,125 |
| DALLAS | \$26,282 | MONROE | \$33,185 | TEXAS | \$31,776 |
| DAVIESS | \$29,193 | MONTGOMERY | \$39,137 | VERNON | \$39,912 |
| DEKALB | \$37,986 | MORGAN | \$31,486 | WARREN | \$42,127 |
| DENT | \$31,446 | NEW MADRID | \$38,947 | WASHINGTON | \$29,678 |
| DOUGLAS | \$28,665 | NEWTON | \$45,439 | WAYNE | \$27,509 |
| DUNKLIN | \$28,226 | NODAWAY | \$38,000 | WEBSTER | \$36,222 |
| FRANKLIN | \$44,812 | OREGON | \$27,548 | WORTH | \$26,236 |
| GASCONADE | \$33,727 | OSAGE | \$40,889 | WRIGHT | \$33,285 |
| GENTRY | \$38,945 | OZARK | \$27,077 | STATEWIDE | \$54,746 |
| GREENE | \$47,337 | PEMISCOT | \$31,814 | | |

• Statewide average of \$54,746 applicable to any county over the statewide average when determining program eligibility.

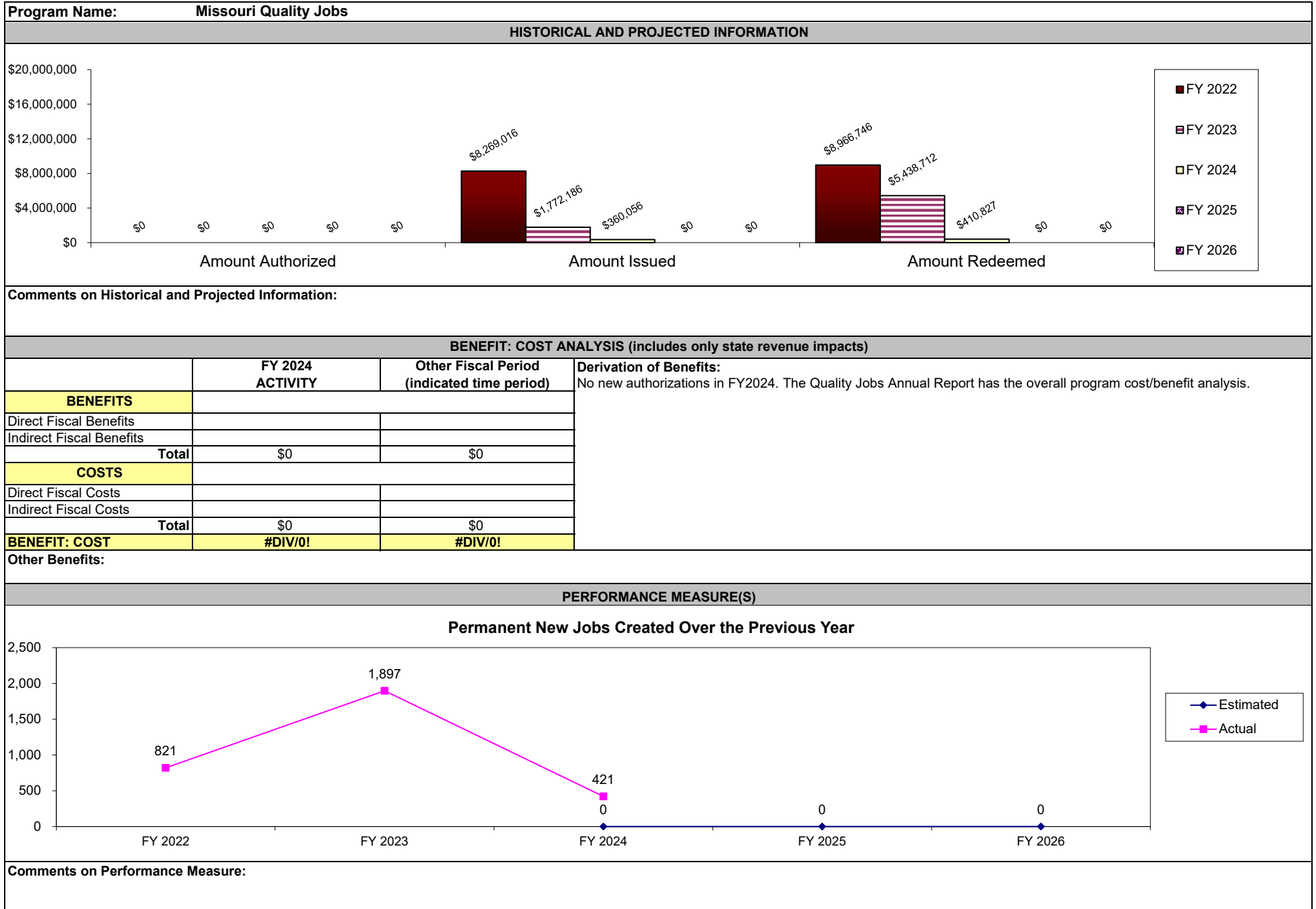
• The wage represents an average for all private industries.

• If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.

TAX CREDIT ANALYSIS

| | | | | | | | | | |
|--|------------------------------|--|---------------------------------|--|--|------------------------------|-----------------------------|--------------|-----------------------------|
| Program Name: Missouri Quality Jobs | | | | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | | | | |
| Program Category: Business Recruitment | | Type: | Tax Credit | Other: Retention of state withholding tax of the new jobs. | | | | | |
| Statutory Authority: Sections 620.1875-620.1890, RSMo | | Applicable Taxes: Income Tax, Bank Tax, Insurance Premium Tax, Other financial institutions tax | | | | | | | |
| Tax Credit Creation Date: 2005 | | Year of Last Legislative Change: 2013 | | | | | | | |
| Program Description and Eligibility Requirements: For-profit and non-profit businesses except for gambling, retail trade, food and drinking places, public utilities, educational services, religious organizations, public administration, companies that are delinquent in non-protested taxes or other payments, or any company that has filed for or has publicly announced its intention to file for bankruptcy are eligible provided the average wage of the new jobs equals or exceeds the county average wage and the company offers health insurance and pays at least 50% of the premium. To qualify, the company must create a minimum number of new jobs at the project facility within 2 years. | | | | | | | | | |
| Explanation of How Award is Computed: | | Entitlement | <input type="checkbox"/> Yes | Discretionary | <input type="checkbox"/> No | | | | |
| The benefits of the program are the retention of 100% of the state withholding tax of the new jobs for 3 or 5 years for small/expanding businesses (20+ new jobs in rural areas and 40+ new jobs in non-rural areas); or a combination of the retention of 100% of the state withholding tax of the new jobs and state tax credits for 5 years for technology businesses (10+ new jobs) and high impact businesses (100+ new jobs), based on a percentage (from 3 to 7%, depending on the average wage of the new jobs and the amount of local incentives) of the payroll of the new jobs. | | | | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 80 Million _____ None _____ Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | | | | |
| Explanation of Cap: The cap increased from \$40 million to \$60 million in tax credits beginning Aug. 2008. The cap increased to \$80 million beginning June 4, 2009. Up to \$3 million of the cap may be used for job retention projects approved by the Quality Jobs Advisory Task Force, with no tax credits issued after August 30, 2013. Up to \$500,000 of the cap may be used for small business job retention and flood relief projects, with no tax credits approved after August 30, 2010. The tax credit maximums applying to technology and high impact business projects were removed for newly approved projects as of June 4, 2009. There is no limit on the retention of withholding taxes. | | | | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes | Date of Sunset 8/27/2013 | | Date of Last Sunset Extension _____ | | | | |
| Explanation of Expiration of Authority: No tax credits shall be issued for job retention projects approved after August 30, 2013. No tax credits shall be issued for small business job retention and flood relief projects approved after August 30, 2010. No new projects may be proposed after August 27, 2013. | | | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | | | |
| Carry forward | <input type="checkbox"/> n/a | Carry Back | <input type="checkbox"/> n/a | Refundable | <input type="checkbox"/> Yes | Apportioned | <input type="checkbox"/> No | Appropriated | <input type="checkbox"/> No |
| Sellable/Assignable | <input type="checkbox"/> Yes | Organizations Remit an Offset | <input type="checkbox"/> No | Additional Federal Deductions/Credits Available | | | <input type="checkbox"/> No | | |
| Comments on Specific Provisions: | | | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | | | |
| Certificates Issued (#) | 0 | 0 | 1 | 0 | 0 | 0 | | | |
| Projects/Participants (#) | 0 | 0 | 1 | 0 | 0 | 0 | | | |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| Amount Issued | \$8,269,016 | \$1,772,186 | \$360,056 | \$0 | \$0 | \$0 | | | |
| Amount Redeemed | \$8,966,746 | \$5,438,712 | \$410,827 | (\$851,478) | \$0 | \$0 | | | |
| | | | | | | | | | |
| FY 2024 EST. Amount Outstanding | \$0 | FY 2024 EST. Amount Authorized but Unissued | | | \$0 | | | | |

TAX CREDIT ANALYSIS





QUALIFIED RESEARCH EXPENSE TAX CREDIT PROGRAM

The Qualified Research Expense Tax Credit Program (Program) encourages companies to conduct research and development in the state of Missouri through tax credits for additional qualified research expenses.

Authorization

Section 620.1039, RSMo

Eligible Areas

Statewide.

Eligible Applicants

The Program is available to an eligible taxpayer who has additional qualified research expenses in Missouri in a tax year, as compared to the average of such expenses in three immediately preceding tax years.

Individuals, partnerships, or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or a corporation as described in section 143.441 or 143.471, or section 148.370, is an eligible applicant.

Applicant must have Missouri qualified research expenses incurred in at least one of the last three preceding tax years.

The application for tax credits must be submitted to the Department no later than the end of the taxpayer's tax period immediately following the tax period for which the credits are being claimed.

Program Benefits/Eligible Uses

The Program provides state tax credits for additional qualified research expenses, which is the difference between the Missouri qualified research expenses incurred in a tax year subtracted by the average of the taxpayer's Missouri qualified research expenses incurred in the three immediately preceding tax years.

The tax credits are equal to the greater of:

- 15% of additional qualified research expenses, or
- 20% of additional qualified research expenses if the research is conducted in conjunction with a Missouri public or private college or university.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 – Taxation of Financial Institutions

This tax credit's special attributes:

- Can be carried forward 12 years
- Can be sold, transferred, or assigned

Funding Limits

The aggregate of all tax credits eligible to be authorized shall not exceed \$10,000,000 in any calendar year, with \$5,000,000 reserved for minority business enterprises, women's business enterprises, and small businesses. If on November first of each year, there are unused amounts from the \$5,000,000 reserved for minority business enterprises, women's business enterprises, and small businesses, the unused amount will be transferred to the overall program cap.

The maximum tax credit available to a single taxpayer under this program for any tax year is \$300,000.

If there are applications for the Program's tax credits that exceed the amounts available, eligible applicants in the general cap will be issued credits on a pro-rata basis, with businesses less than five years old being issued full tax credits first.

No tax credit can be issued on that portion of the taxpayer's qualified research expenses incurred within Missouri during a tax year to the extent such expenses exceed 200% of the taxpayer's average qualified research expenses incurred during the immediately preceding three tax years.

Application/Approval Procedure

An application must be filed with DED no later than September 30 of each year. DED will issue a tax credit certificate authorizing the applicant to claim the tax credits.

Reporting Requirements

The Tax Credit Accountability Act reporting form must be submitted to the Missouri Department of Revenue by June 30 each year for three years following the year of the issuance of tax credits.

Special Program Requirements

Qualified research expenses are defined as they are in federal law at 26 U.S.C. § 41, but must be incurred in Missouri. Tax credits are available for expenditures including:

- Wages paid or incurred to an employee for engaging in, directly supervising, or directly supporting qualified research in Missouri.
- Supplies - tangible property other than land, improvements to land, and depreciable property, used in the conduct of qualified research in Missouri.
- With some exceptions, amounts paid or incurred to another person for the right to use computers in the conduct of qualified research.
- For the above, 100% of in-house research expenses will count, and 65% of the costs for contract research expenses will count as qualified research expenses.

Contact

Department of Economic Development
Business Opportunities Division
301 West High Street, Room 770 | P.O. Box
118 Jefferson City, MO | 65102
Phone: 573-526-3285 | Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov
Web: ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|--|---|--|----------------------------|--|
| Program Name: Qualified Research Expense Tax Credit Program (QRE) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Entrepreneurial | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Section 620.1039, RSMo | | Applicable Taxes: Individual, Corporate, Financial Institutions Tax | | | | |
| Tax Credit Creation Date: August 28, 2022 | | Year of Last Legislative Change: 2022 | | | | |
| Program Description and Eligibility Requirements: Any individual, partnership, corporation, or charitable organization conducting qualified research in the state is eligible. The incentive is available to an eligible taxpayer who has additional qualified research expenses in Missouri in a tax year, as compared to the average of such expenses in three immediately preceding tax years. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> Yes <input type="checkbox"/> No | | Discretionary <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| Applicants may receive the greater of: (a) 15% of the taxpayer's additional qualified research expenses; or (b) 20% of the taxpayer's additional qualified research expenses if such qualified research was conducted in conjunction with a Missouri public or private college or university. No tax credit shall be allowed for any portion of qualified research expenses that exceed 200% of the taxpayer's average qualified research expenses incurred during the three immediately preceding tax years. Each taxpayer is limited to a \$300,000 benefit per year. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 10 million _____ None _____ | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No <input type="checkbox"/> Yes | | Which Program(s)? _____ | | | | |
| Explanation of Cap: \$5 million of the \$10 million cap shall be reserved for minority business enterprises, women's business enterprises, and small businesses. If on November 1 of each year, there are unused amounts from the \$5 million reserved, the unused amount will be transferred to the overall program cap. If there are applications for the program's tax credits that exceed the amount available, eligible applicants in the general cap will be issued credits on a pro-rata basis, with businesses less than five years old being issued full tax credits first. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | Date of Sunset 12/31/2028 | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: The provisions of the program authorized under this section shall automatically sunset December 31, 2028, 6 years after the effective date. | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="checkbox"/> Choose # _____ | | Carry Back <input type="checkbox"/> n/a | | Refundable <input type="checkbox"/> No <input type="checkbox"/> Yes | | Apportioned <input type="checkbox"/> No <input type="checkbox"/> Yes |
| Sellable/Assignable <input type="checkbox"/> Yes <input type="checkbox"/> No | | Organizations Remit an Offset <input type="checkbox"/> No <input type="checkbox"/> Yes | | Additional Federal Deductions/Credits Available <input type="checkbox"/> No <input type="checkbox"/> Yes | | |
| Comments on Specific Provisions: Carry forward is 12 years. | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 0 | 0 | 49 | 30 | 40 |
| Projects/Participants (#) | 0 | 0 | 0 | 77 | 30 | 40 |
| Amount Authorized | \$0 | \$0 | \$0 | \$9,029,607 | \$10,000,000 | \$10,000,000 |
| Amount Issued | \$0 | \$0 | \$0 | \$1,818,884 | \$10,000,000 | \$10,000,000 |
| Amount Redeemed | \$0 | \$0 | \$0 | \$0 | \$10,000,000 | \$10,000,000 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$0 | | FY 2024 EST. Amount Authorized but Unissued | | \$0 | |

TAX CREDIT ANALYSIS

| | | | | | |
|---|---------------------|---|--------------------------|--|--|
| Program Name: | | Qualified Research Expense Tax Credit Program (QRE) | | | |
| HISTORICAL AND PROJECTED INFORMATION | | | | | |
| <div><div>Amount Authorized</div><div>Amount Issued</div><div>Amount Redeemed</div></div> <div><div><div><div>FY 2022</div><div>FY 2023</div><div>FY 2024</div><div>FY 2025</div><div>FY 2026</div></div><div><div><div></div><div></div><div></div><div></div><div></div></div></div></div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div><div></div><div></div><div></div><div></div><div></div></div></div></div></div> <div>Comments on Historical and Projected Information:</div> | | | | | |
| BENEFIT: COST ANALYSIS (includes only state revenue impacts) | | | | | |
| Derivation of Benefits: No authorizations for FY2024. | FY 2024 ACTIVITY | Other Fiscal Period (15 years) | BENEFITS | | |
| | | | Direct Fiscal Benefits | | |
| | | | Indirect Fiscal Benefits | | |
| | | | Total | | |
| | | | COSTS | | |
| | | | Direct Fiscal Costs | | |
| | | | Indirect Fiscal Costs | | |
| | | | Total | | |
| | | | BENEFIT: COST | | |
| | | | Total | | |
| PERFORMANCE MEASURE(S) | | | | | |
| <div><div>Investment Amount</div><div>Comments on Performance Measure:</div></div> | | | | | |



RURAL ACCESS TO CAPITAL TAX CREDIT PROGRAM

PURPOSE

Promotes workforce development and capital investment in Missouri's rural areas by providing incentives to invest in those areas.

AUTHORIZATION

Sections 620.3500-620.3530, RSMo

ELIGIBLE APPLICANTS

Rural Funds, which may be Rural Business Investment Companies and Small Business Investment Companies, or their Affiliates, with:

- A valid license as a rural business or small business investment company wishing to accept investments as Capital Investments which, as of the date of their application, has invested:
 - At least \$100 million in nonpublic companies located in counties within the United States with a population of less than 50,000 according to the 2020 decennial census of the United States; and
 - At least \$30 million in nonpublic companies located in Missouri.
- A comprehensive business plan with a revenue impact assessment by a third-party economic forecasting firm.
- A nonrefundable application fee of \$5,000 payable to DED.

Reference: § 620.3510

BUSINESSES ELIGIBLE FOR INVESTMENT

Small businesses with Principal Business Operations in Missouri that are in Rural Areas of Missouri as set out in the United States Department of Agriculture census places map as published by the United States Department of Agriculture with a census place population of less than 50,000 inhabitants.

Small businesses with Principal Business Operations in Missouri that are also Agribusinesses.

No more than 30% of Qualified Investments shall be made in Eligible Businesses outside a Rural Area.

Reference: § 620.3505 terms and definitions.

PROGRAM BENEFITS/ELIGIBLE USES

Rural Funds apply to become certified by the Department for a period of six years beginning with the year the Rural Investor makes a Capital Investment.

The tax credits are equal to 60% of the total authorized Capital Investments and are issued over a six-year period. An amount equal to 15% of the total authorized Capital Investments will be issued as a tax credit in the third, fourth, fifth, and sixth years of this six-year period. No tax credits will be issued in the first and second years of this period.

The Applicable Percentage of the tax credit amount will be 0% in years 1 and 2 and 15% of Capital Investment in years 3-6.

Tax credits may be carried forward 5 years. They may not be refunded or sold, but may be allocated to the partners, members, or shareholders of recipient organizations in accordance with statutory requirements.

The program sunsets on August 28, 2030, unless reauthorized.

Reference: § 620.3520 and § 620.3530

FUNDING LIMITS

The tax credit cap is \$16 million per calendar year for four years.

Reference: § 620.3515

APPLICATION/APPROVAL PROCEDURE

The program has one application cycle where applications are submitted to DED to determine the eligibility of the Rural or Small Business Investment Companies, or their Affiliates. If approved, the Applicant will be certified as a Rural Fund and awarded Qualified Investment Authority.

The Rural Fund must raise Qualified Investments equal to 60% of the purchase price of Capital Investment in Qualified Investments as of the second anniversary of the initial Credit Allowance Date and 100% as of the third anniversary of the initial Credit Allowance Date.

Reference: § 620.3520

REPORTING REQUIREMENTS

Rural Funds shall submit Investment Reports to DED within the first 15 business days after the second and third Credit Allowance Date.

For years four through six, Rural Funds will submit an annual report to the Department within 90 days of the beginning of the calendar year during the compliance period. The annual report will be based on information as of December 31st of the prior calendar year.

The "Tax Credit Accountability Act" reporting form must be submitted to the Missouri Department of Revenue by June 30 each year for three years following the year of the first issuance of tax credits.

Reference: § 620.3530

CONTACT

Business Opportunities Division

301 West High Street, Suite 770 Jefferson City, MO • 65102

Phone: 573-751-4539

E-mail: DED_BCS.MOWORKS@ded.mo.gov

Web: www.ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|---|---|---|----------------------------|---|
| Program Name: Rural Access to Capital (RAC) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | |
| Program Category: Business Recruitment | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Sections 620.3500-620.3530, RSMo | | Applicable Taxes: Income Tax; Insurance Premium Tax; Financial Institutions Tax; Express Companies | | | | |
| Tax Credit Creation Date: 8/28/2024 | | Year of Last Legislative Change: 2024 | | | | |
| Program Description and Eligibility Requirements: Promotes workforce development and capital investment in Missouri's rural areas by providing incentives to invest in those areas. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> No | | Discretionary <input type="checkbox"/> Yes | | |
| Rural Funds apply to become certified by the Department for a period of six years beginning with the year the Rural Investor makes a Capital Investment. The tax credits are 60% of the total Capital Investment over the six-year period. The Applicable Percentage of the tax credit amount will be 0% in years one and two and 15% of Capital Investment in years three through six, not to exceed \$16,000,000 in a calendar year. | | | | | | |
| Program Cap: Cumulative \$ 64 million (remainder of cumulative cap) \$ 64 million Annual \$ 16 million None | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No | | Which Program(s)? | | | | |
| Explanation of Cap: The tax credit cap is \$16 million per calendar year for four years. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes | | Date of Sunset 28-Aug-30 | | Date of Last Sunset Extension |
| Explanation of Expiration of Authority: Program sunsets on August 28, 2030, unless reauthorized. | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="checkbox"/> 5 years | | Carry Back <input type="checkbox"/> n/a | | Refundable <input type="checkbox"/> No | | Apportioned <input type="checkbox"/> No |
| Sellable/Assignable <input type="checkbox"/> No | | Organizations Remit an Offset <input type="checkbox"/> Choose | | Additional Federal Deductions/Credits Available <input type="checkbox"/> No | | Appropriated <input type="checkbox"/> Yes |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| SB 802 passed during FY2024 regular session. | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 0 | 0 | 0 | 0 | 0 |
| Projects/Participants (#) | 0 | 0 | 0 | 5 | 0 | 0 |
| Amount Authorized | \$0 | \$0 | \$0 | \$64,000,000 | \$0 | \$0 |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amount Redeemed | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$0 | | FY 2024 EST. Amount Authorized but Unissued | | \$0 | |

TAX CREDIT ANALYSIS

| | | | |
|--|-----------------------------|--|--|
| Program Name: Rural Access to Capital (RAC) | | | |
| HISTORICAL AND PROJECTED INFORMATION | | | |
| <div style="float: right; border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>■ FY 2022</p> <p>■ FY 2023</p> <p>■ FY 2024</p> <p>■ FY 2025</p> <p>■ FY 2026</p> </div> | | | |
| Comments on Historical and Projected Information: | | | |
| BENEFIT: COST ANALYSIS (includes only state revenue impacts) | | | |
| | FY 2024 ACTIVITY | Other Fiscal Period (indicated time period) | Derivation of Benefits: This is a new program. No authorizations for FY2024. |
| BENEFITS | | | |
| Direct Fiscal Benefits | | | |
| Indirect Fiscal Benefits | | | |
| Total | \$0 | \$0 | |
| COSTS | | | |
| Direct Fiscal Costs | | | |
| Indirect Fiscal Costs | | | |
| Total | \$0 | \$0 | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | |
| Other Benefits: | | | |
| PERFORMANCE MEASURE(S) | | | |
| Permanent New Jobs Created | | | |
| <div style="float: right; border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>◆ Estimated</p> <p>■ Actual</p> </div> | | | |
| Comments on Performance Measure: | | | |



WINE & GRAPE PRODUCTION TAX CREDIT PROGRAM

PURPOSE

Assist vineyards and wine producers with the purchase of new equipment and materials by granting a tax credit for a portion of the purchase price.

The Missouri Department of Economic Development (DED), will issue a state tax credit to an individual, partnership or corporation in an amount equal to 25% of the purchase price of new equipment and materials used directly in the growing of grapes or the production of wine in Missouri.

AUTHORIZATION

Section 135.700, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Missouri individuals or businesses.

ELIGIBILITY CRITERIA

An individual or business must be actively involved in the production of wine or the growing of grapes in the state of Missouri.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax

This credit has no special attributes. It must be applied to tax liability for the year it was earned.

APPLICATION/APPROVAL PROCEDURE

An application must be filed with DED. If DED approves the application, DED will issue a tax credit certificate authorizing the applicant to claim the tax credits.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

The Agricultural Category of tax credits, which includes the Wine and Grape Production program, requires recipients to annually report to DED for three (3) years following the date of issuance

of the tax credits, the following information:

- Type of agricultural commodity
- Amount of contribution
- Type of equipment purchased
- Name and description of facility, except that if the agricultural credit is issued as a result of a producer member investing in a new generation processing entity, then the new generation processing entity, and not the recipient, shall annually, for a period of three years following the issuance of tax credits provide the information.

SPECIAL PROGRAM REQUIREMENTS

Equipment and materials must be new purchases. The purchase price is the selling price of the new equipment and materials, excluding sales tax, delivery cost, shipping and handling costs, installation costs, and other unrelated costs.

The new equipment and materials must be:

- Used on land owned or leased for the purpose of producing wine or growing grapes; and
- Used directly in the production of wine or growing of grapes in the state of Missouri.

The new equipment and materials will be considered used directly based upon:

- Where the item in question is used;
- When the item in question is used; and
- How the item in question is used to produce wine or grow grapes.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Solutions
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.ded.mo.gov

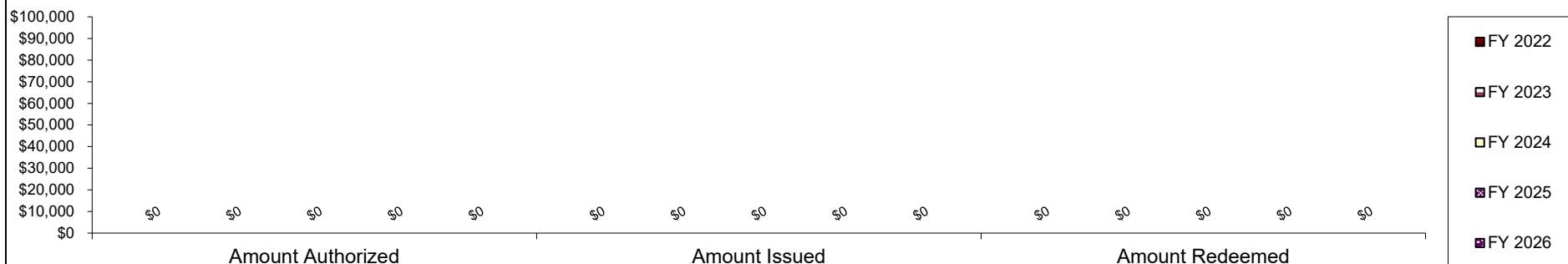
TAX CREDIT ANALYSIS

| | | | | | | | | | |
|--|--|---|--|---|--|-------------------------------------|--|--------------|--|
| Program Name: Wine Producers and Grape Growers | | | | | | | | | |
| Department: Economic Development | | Contact Name & No.: Brooklyn Wasser (573) 522-8006 | | | Date: January 2025 | | | | |
| Program Category: Agricultural | | Type: | | Tax Credit | Other: | | | | |
| Statutory Authority: Section 135.700, RSMo | | Applicable Taxes: | | Income Tax | | | | | |
| Tax Credit Creation Date: 1998 | | Year of Last Legislative Change: | | | | | | | |
| Program Description and Eligibility Requirements: Any grape grower or wine producer within the state can claim a tax credit for a percentage of the purchase price of all new equipment and materials used directly in growing grapes or producing wine within the state. Taxpayers may apply annually for up to five years. | | | | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> Yes <input type="checkbox"/> No | | Discretionary <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | |
| The tax credit is equal to 25% of the purchase price of all new equipment and materials used directly in growing grapes or producing wine. | | | | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/> X Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | | | | |
| Explanation of Cap: There is no cap on this program. | | | | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> No <input type="checkbox"/> Yes | | Date of Sunset _____ | | Date of Last Sunset Extension _____ | | | |
| Explanation of Expiration of Authority: | | | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | | | |
| Carry forward | <input type="checkbox"/> n/a | Carry Back | <input type="checkbox"/> n/a | Refundable | <input type="checkbox"/> No <input type="checkbox"/> Yes | Apportioned | <input type="checkbox"/> No <input type="checkbox"/> Yes | Appropriated | <input type="checkbox"/> No <input type="checkbox"/> Yes |
| Sellable/Assignable | <input type="checkbox"/> No <input type="checkbox"/> Yes | Organizations Remit an Offset | <input type="checkbox"/> No <input type="checkbox"/> Yes | Additional Federal Deductions/Credits Available | | | <input type="checkbox"/> No <input type="checkbox"/> Yes | | |
| Comments on Specific Provisions: | | | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | | | |
| Certificates Issued (#) | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Projects/Participants (#) | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| Amount Redeemed | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | |
| FY 2024 EST. Amount Outstanding \$ _____ | | | | | | | | | |
| FY 2024 EST. Amount Authorized but Unissued \$ _____ | | | | | | | | | |

TAX CREDIT ANALYSIS

| | |
|----------------------|---|
| Program Name: | Wine Producers and Grape Growers |
|----------------------|---|

HISTORICAL AND PROJECTED INFORMATION



| | |
|--|--|
| Comments on Historical and Projected Information: | |
|--|--|

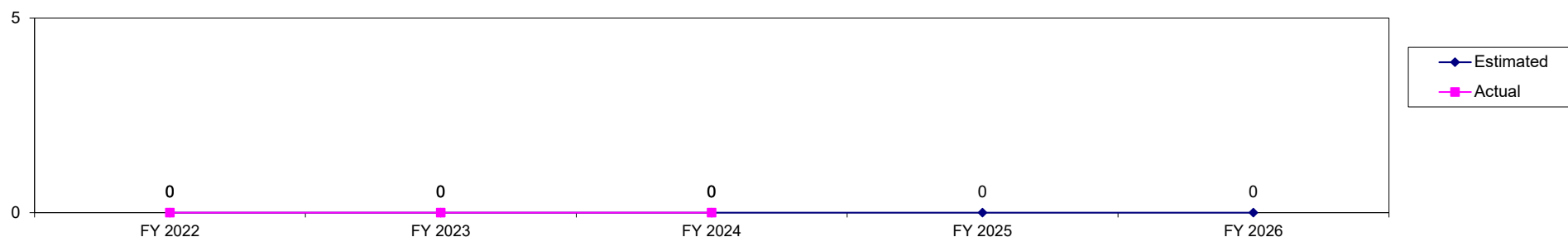
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (indicated time period) | Derivation of Benefits: No authorizations in FY2024. |
|--------------------------|---------------------|--|---|
| BENEFITS | | | |
| Direct Fiscal Benefits | | | |
| Indirect Fiscal Benefits | | | |
| Total | \$0 | \$0 | |
| COSTS | | | |
| Direct Fiscal Costs | | | |
| Indirect Fiscal Costs | | | |
| Total | \$0 | \$0 | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | |

Other Benefits:

PERFORMANCE MEASURE(S)

Leveraged Investment



| |
|--|
| <p>Comments on Performance Measure:</p> |
|--|



CAPITOL COMPLEX TAX CREDIT ACT

MISSOURI DEVELOPMENT FINANCE BOARD / DEPARTMENT OF ECONOMIC DEVELOPMENT / OFFICE OF ADMINISTRATION

To assist in funding the rehabilitation and renovation of buildings in the Capitol Complex. The Capitol Complex includes the State Capitol building, Supreme Court building, Old Federal Courthouse, Highway Building and the Governor's Mansion.

AUTHORIZATION

Section 620.3210, RSMo, as amended

ELIGIBLE DONATIONS

- Eligible artifacts donated to the Board of Public Buildings shall be allowed a credit in an amount of 30% of the eligible artifact donation.
- Eligible artifacts include items of personal property specifically for display in a building in the Capitol Complex or former fixtures which were previously owned by the state and used within the Capitol Complex. The Board of Public Buildings has sole discretion in determining whether a donation is an eligible artifact.
- Eligible monetary donations submitted to MDFB for deposit into the Capitol Complex Fund or to an eligible 501(c)(3) organization shall be allowed a credit in the amount of 50% of the donation.
- Monetary donations include cash, check, money order or similar cash equivalents valued at the face value of the currency, stocks of publicly traded companies; and bonds that are publicly traded.

FUNDING LIMITS

No more than \$10 million in tax credits may be approved in a calendar year. Donations will be processed for tax credits on a first come, first served basis. Donations received in excess of the tax credit cap for the calendar year shall be placed in line for tax credits issued the following calendar year or shall be given the opportunity to complete their donation without the expectation of a tax credit, or shall request to have their donation returned.

The program will sunset on August 28, 2027.

PROGRAM BENEFITS/ELIGIBLE USES

The donations collected through this program will be used primarily by the Office of Administration for the restoration and maintenance of the buildings in the Capitol Complex.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax (except for taxes due under Sections 143.191 to 143.265)
- Ch. 148 – Bank Tax, Insurance Premium Tax, Other Financial Institution Tax

This tax credit's special attributes:

- Refundable (monetary donations only) or Carry-forward 4 years
- Sellable or transferable
- All credits must be redeemed within 5 years of issuance

APPLICATION/APPROVAL PROCEDURE

- Eligible Artifact donations are submitted to the Board of Public Buildings for a determination of acceptance. If accepted, the Board of Public Buildings will submit a receipt of contribution including the artifacts valuation with a copy to the Department of Economic Development for further processing and the issuance of a tax credit.
- Eligible monetary donations are submitted to MDFB for deposit into the Capitol Complex Fund or to an eligible 501(c)(3) organization. A receipt of contribution is issued to the donor with a copy to the Department of Economic Development for further processing and the issuance of a tax credit.

CONTACT

Missouri Department of Economic Development Division of Community Solutions

301 West High Street, Suite 770 | P.O. Box 118
Jefferson City, MO 65102
Phone: 573-526-5417

Email: community@ded.mo.gov | Web: www.ded.mo.gov

Missouri Development Finance Board

200 Madison Street, Suite 1000 /P.O. Box 567
Jefferson City, Missouri 65102
Phone: 573-751-8479
Email: mdfb@ded.mo.gov
Web: www.mdfb.org

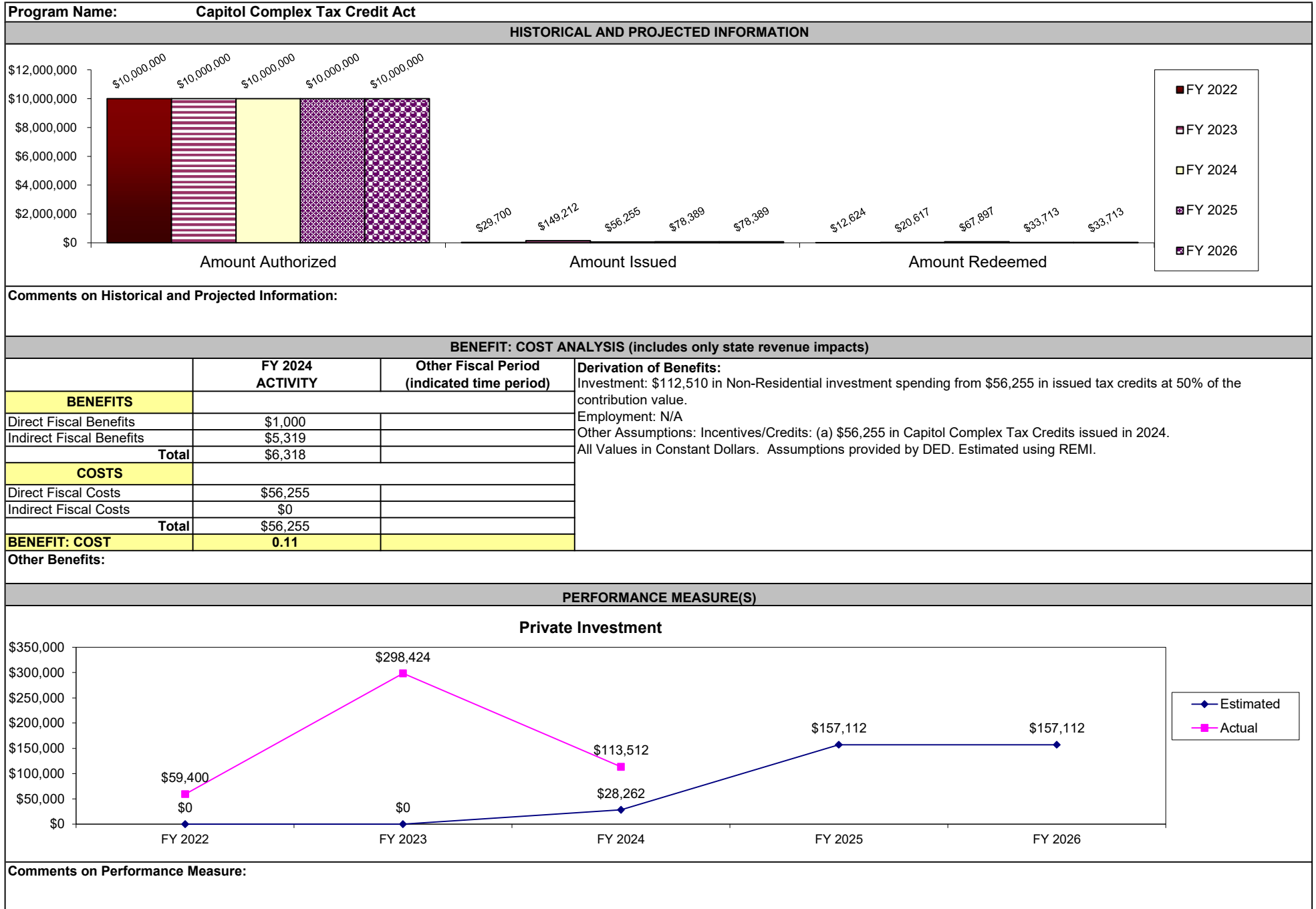
Commissioner's Office

Office of Administration
201 West Capital Ave, Rm 125
Jefferson City, MO 65101
Web: <https://oa.mo.gov/>

TAX CREDIT ANALYSIS

| | | | | | | |
|---|-----------------------|---|---|---|----------------------------|--|
| Program Name: Capitol Complex Tax Credit Act | | | | | | |
| Department: Economic Development | | Contact Name & No.: Daniel Epler (573) 751-5798 | | | Date: January 2025 | |
| Program Category: Redevelopment | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Section 620.3210, RSMo | | Applicable Taxes: Income tax and financial institution tax | | | | |
| Tax Credit Creation Date: 2021 | | Year of Last Legislative Change: | | | | |
| Program Description and Eligibility Requirements: A contribution tax credit that provides a credit for monetary or artifact donations to capitol complex buildings, including the state capitol, supreme court, old federal courthouse, highway building, and Governor's mansion. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> Yes | | Discretionary <input type="checkbox"/> No | | |
| Monetary donations are eligible for a 50% refundable tax credit; Artifact donations are eligible for a 30% nonrefundable tax credit. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 10 Million _____ None _____ Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | |
| Explanation of Cap: No more than \$10 million can be authorized in an calendar year. Donations received in excess of the cap are placed in line for issuance the following year. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes | | Date of Sunset 8/28/2027 | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: Sunsets after 6 years – August 2027. If reauthorized, sunsets automatically 12 years after August 28, 2021. | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="checkbox"/> 4 years | | Carry Back <input type="checkbox"/> n/a | | Refundable <input type="checkbox"/> Yes | | Apportioned <input type="checkbox"/> No |
| Sellable/Assignable <input type="checkbox"/> Yes | | Organizations Remit an Offset <input type="checkbox"/> No | | Additional Federal Deductions/Credits Available <input type="checkbox"/> No | | Appropriated <input type="checkbox"/> No |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 30 | 53 | 37 | 2 | 40 | 40 |
| Projects (#) | 5 | 5 | 5 | 0 | 5 | 5 |
| Amount Authorized | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$0 | \$10,000,000 | \$10,000,000 |
| Amount Issued | \$29,700 | \$149,212 | \$56,255 | \$1,907 | \$78,389 | \$78,389 |
| Amount Redeemed | \$12,624 | \$20,617 | \$67,897 | \$42,424 | \$33,713 | \$33,713 |
| | | | | | | |
| FY 2025 EST. Amount Outstanding | \$100,826 | | FY 2025 EST. Amount Authorized but Unissued | | \$19,986,750 | |
| | | | | | | |

TAX CREDIT ANALYSIS





FAMILY DEVELOPMENT ACCOUNT TAX CREDIT PROGRAM

To promote self-sufficiency for low-income Missourians through a matched savings program.

AUTHORIZATION

Sections 208.750 to 208.775, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

A community-based organization formed under Chapter 352, RSMo or any non-profit corporation formed under Chapter 355, RSMo.

ELIGIBLE DONORS

Individuals and businesses with Missouri State tax liability.

ELIGIBILITY CRITERIA

Tax credits are allocated to organizations administering projects that have been approved through the application process. Approved organizations secure contributions from their community, and the contributor receives tax credits for those contributions.

Organizations approved to administer a Family Development Account project recruit low-income Missourians to participate in a matched savings program to help pay for:

- Education at an accredited institution of higher learning;
- Job training at an accredited or licensed training program;
- Purchase of a primary residence;
- Major repairs or improvements to a primary residence; or
- Start-up capitalization of a small business.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

This credit has no special attributes. It must be applied to tax liability for the year it was earned.

FUNDING LIMITS

The maximum amount of tax credits which can be authorized is \$300,000 per fiscal year. The tax credits are allocated at the discretion of DED.

Applicant organizations may request a maximum of \$100,000 in 50% tax credits per project.

The tax credit is for 50% of the amount of the contribution, not to exceed \$25,000 (a \$50,000 contribution) per contributor.

APPLICATION/APPROVAL PROCEDURE

Applications from eligible organizations may be submitted to the FDA program at any time. Applications will be reviewed in the order they are received. Every effort is made to notify organizations of a tax credit award within 60 days from receipt of the application.

REPORTING REQUIREMENTS

Biannual reports, a final report, a final audit (for projects using \$40,000 or more in tax credits), and 1099 reporting.

CONTACT

Missouri Department of Economic Development

Division of Community Solutions

301 West High Street | Suite 770 | P.O. Box 118

Jefferson City, MO 65102

Phone: 573-522-9062

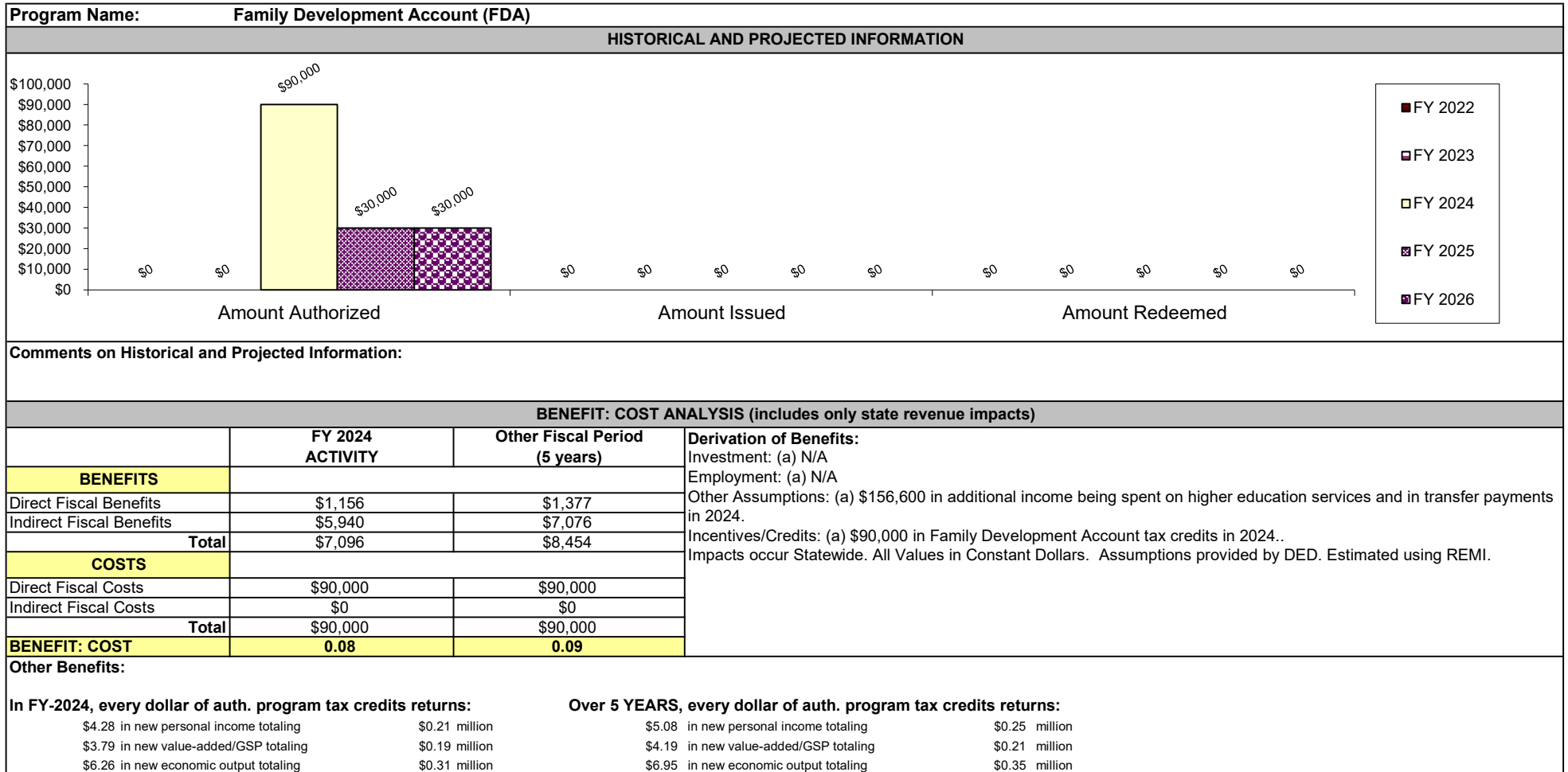
Email: community@ded.mo.gov

Web: www.ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | |
|--|----------------------------------|--|----------------------------------|---|---------------------------------|---|
| Program Name: Family Development Account (FDA) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Daniel Epler (573) 751-5798 | | | Date: January 2025 | |
| Program Category: Community Development | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Sections 208.750-208.775, RSMo | | Applicable Taxes: Income Tax, Corporate Franchise, Bank Tax, Insurance Premium Tax, Other financial institutions tax, Express Company Tax | | | | |
| Tax Credit Creation Date: 1998 | | Year of Last Legislative Change: 2009 | | | | |
| Program Description and Eligibility Requirements: Promotes self-sufficiency through asset development for low-income persons through a matched savings program. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved FDA projects. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="text" value="No"/> | | Discretionary <input type="text" value="Yes"/> | | |
| Tax credits are provided to a contributor (based on 50% of the contribution) that donates to an approved organization administering the Family Development Account project. The matched savings fund can be used by the low-income persons for education, job training, purchase or rehabilitation of primary residence, or start-up capital for small business. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 300,000 None _____ Cap Shared Between Programs <input type="text" value="No"/> Which Program(s)? _____ | | | | | | |
| Explanation of Cap: \$300,000 in tax credits are awarded each fiscal year on an open cycle. | | | | | | |
| Sunset Provision: | | <input type="text" value="No"/> | | Date of Sunset _____ | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward | <input type="text" value="n/a"/> | Carry Back | <input type="text" value="n/a"/> | Refundable | <input type="text" value="No"/> | Apportioned <input type="text" value="No"/> |
| Sellable/Assignable | <input type="text" value="No"/> | Organizations Remit an Offset | <input type="text" value="No"/> | Additional Federal Deductions/Credits Available <input type="text" value="No"/> | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 0 | 0 | 1 | 0 | 0 |
| Projects/Participants (#) | 0 | 0 | 1 | 1 | 0 | 0 |
| Amount Authorized | \$0 | \$0 | \$90,000 | \$100,000 | \$30,000 | \$30,000 |
| Amount Issued | \$0 | \$0 | \$0 | \$5,000 | \$0 | \$0 |
| Amount Redeemed | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FY 2025 EST. Amount Outstanding \$ 57,500.00 FY 2025 EST. Amount Authorized but Unissued \$ 132,500.00 | | | | | | |

TAX CREDIT ANALYSIS

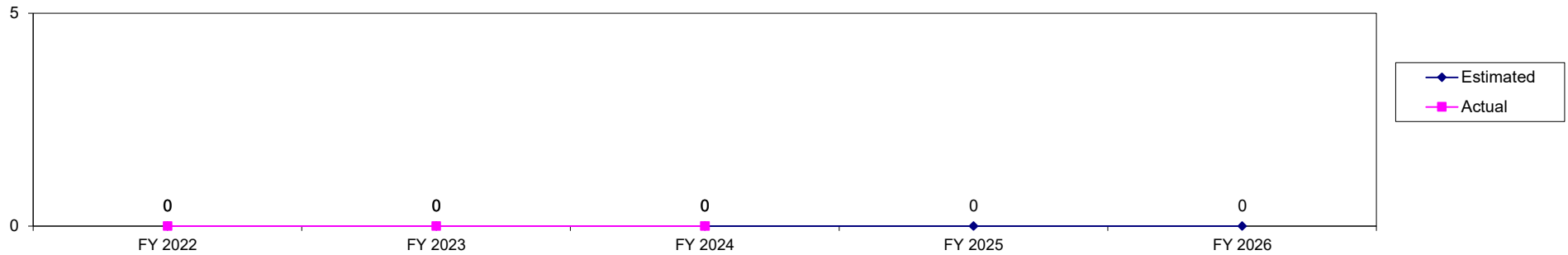


TAX CREDIT ANALYSIS

Program Name: Family Development Account (FDA)

PERFORMANCE MEASURE(S)

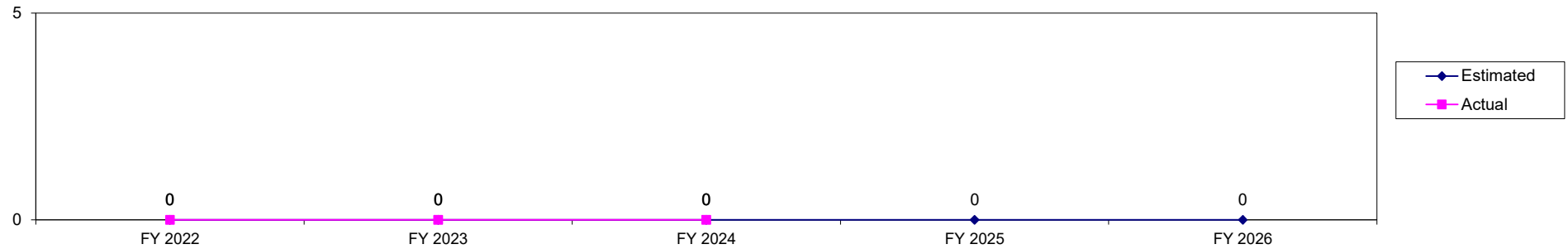
Purchase of New/Rehabbed Housing



Comments on Performance Measure:

FDA is a matched savings program. Enrollees have 2-5 years to save to buy a primary residence or rehab a primary residence. This graph depicts the actual number of participants that have met their goals for projects that have Closed during the fiscal year. There were 5 years where no projects were authorized; therefore, no projects were closed.

New Businesses to be Started



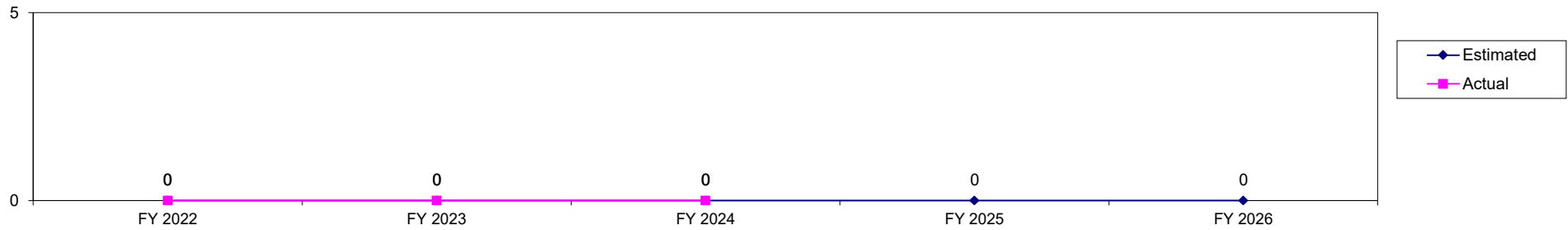
Comments on Performance Measure:

FDA is a matched savings program. Enrollees have 2-5 years to start a new business. This graph depicts the actual number of participants that have met their goals for projects that have Closed during this fiscal year. There were 5 years when no projects were authorized; therefore, no projects were closed.

TAX CREDIT ANALYSIS

Program Name: Family Development Account (FDA)

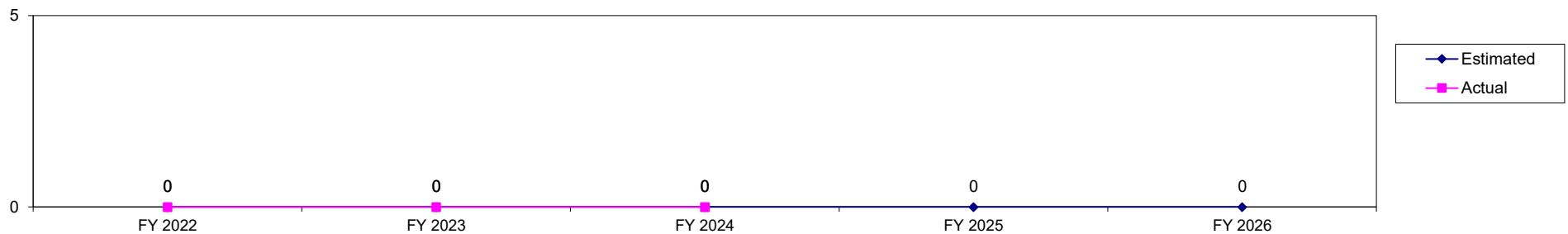
Higher Education/Job Training to be Obtained



Comments on Performance Measure:

FDA is a matched savings program. Enrollees have 2-5 years to save to go to college or participate in an accredited job training program. This graph depicts the actual number of participants that have met their goals for projects that have Closed during this fiscal year. There were 5 years when no projects were authorized; therefore, no projects were closed.

Individuals Learning Life Skills



Comments on Performance Measure:

FDA is a matched savings program. Enrollees attend financial literacy courses. This graph depicts the actual number of participants that have met their goals for projects that have Closed during this fiscal year. There were 5 years when no projects were authorized; therefore, no projects were closed.



NEIGHBORHOOD ASSISTANCE TAX CREDIT PROGRAM

To provide assistance to community-based organizations that enables them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

AUTHORIZATION

Sections 32.100 to 32.125, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- Not-for-profit corporations organized under Chapter 355, RSMo;
- Organizations holding a 501(c)(3) ruling from the IRS; and
- Missouri businesses

ELIGIBLE DONORS

Businesses only - individuals who operate a sole proprietorship, operate a farm, have rental property or have royalty income are also eligible, as well as a shareholder in an S-corporation, a partner in a Partnership or a member of a Limited Liability Corporation.

Eligible Projects include:

- Community Services
- Education
- Crime Prevention
- Job Training
- Physical Revitalization

ELIGIBILITY CRITERIA

The Department of Economic Development (DED) will issue 50% or 70% tax credits to an eligible taxpayer who makes a qualified contribution to an approved Neighborhood Assistance Program (NAP) project.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

This credit's special attributes:

- Carry forward 5 years

FUNDING LIMITS

The maximum amount of tax credits which can be authorized is \$16 million per fiscal year. The tax credits are allocated at the discretion of DED and are subject to change:

- \$10 million in 50% credits
- \$ 6 million in 70% credits (reserved for projects in certain lower population or unincorporated areas).

Applicant organizations may request a maximum of \$250,000 in 50% tax credits per project or \$350,000 in 70% tax credits per project, if the organization is located in a qualifying rural area.

APPLICATION/APPROVAL PROCEDURE

This program holds two application rounds per year, one in the Spring and one in the Fall. Please refer to our website for announcements, and to be added to our notifications list.

NAP staff is available to provide technical assistance to organizations preparing applications to this program.

REPORTING REQUIREMENTS

Biannual reports, a final report, a final audit (for projects using \$40,000 or more in tax credits), and 1099 reporting.

CONTACT

Missouri Department of Economic Development
Division of Community Solutions

301 West High Street, Suite 770 | P.O. Box 118

Jefferson City, MO | 65102

Phone: 573-522-9062

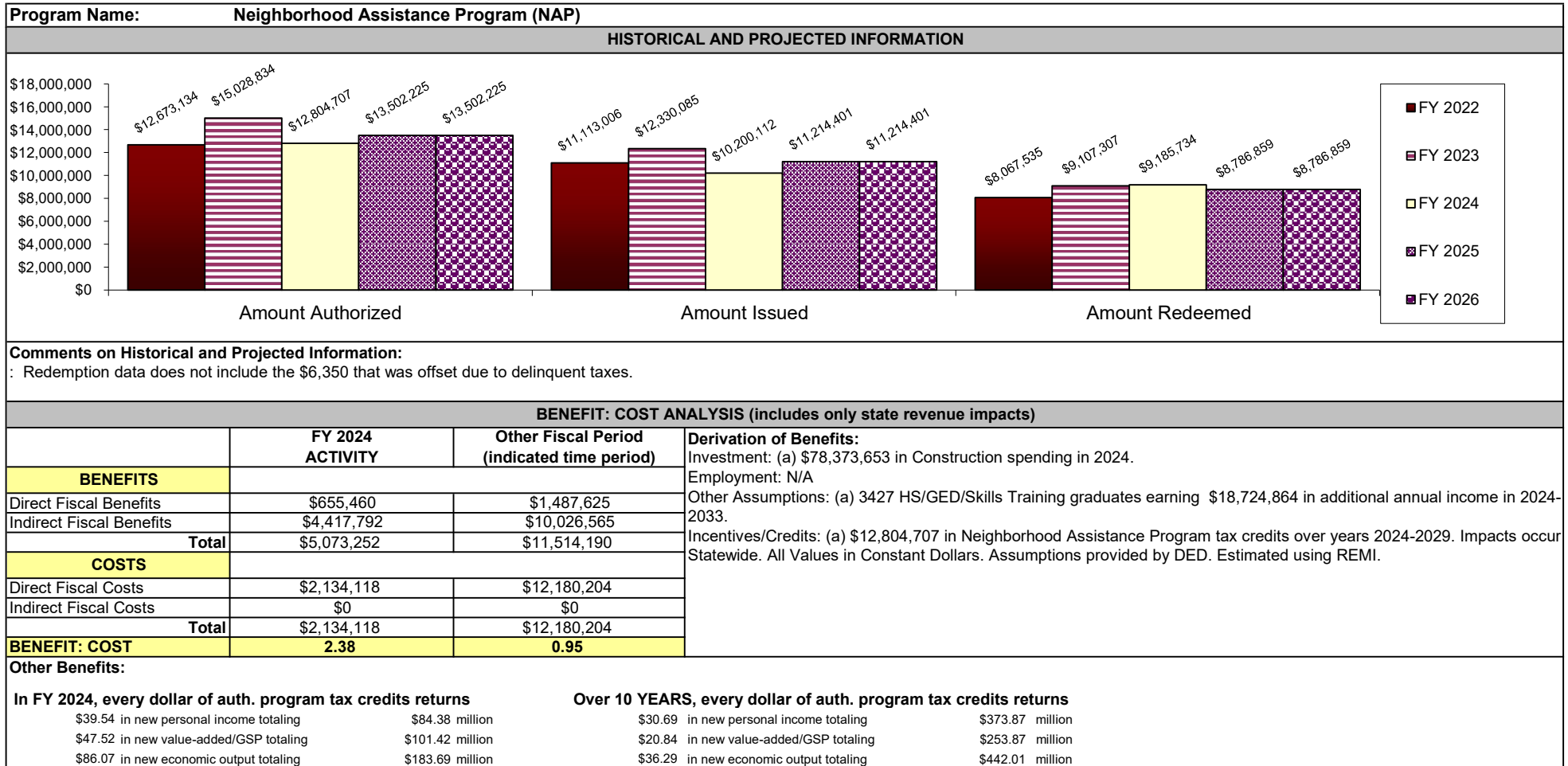
E-mail: community@ded.mo.gov

Web: www.ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | |
|---|--------------------------------------|--|----------------------------------|---|--|---------------------------------|
| Program Name: Neighborhood Assistance Program (NAP) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Daniel Epler (573) 751-5798 | | | Date: January 2025 | |
| Program Category: Community Development | | Type: | Tax Credit | Other: | | |
| Statutory Authority: Sections 32.100-32.125, RSMo | | Applicable Taxes: Income Tax; Corporate Franchise Tax; Bank Tax; Insurance Premium Tax; Other financial institutions tax; Express Company Tax | | | | |
| Tax Credit Creation Date: 1977 | | Year of Last Legislative Change: 2009 | | | | |
| Program Description and Eligibility Requirements: Provides assistance to community-based organizations that enable them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement | <input type="text" value="No"/> | Discretionary | <input type="text" value="Yes"/> | |
| Applications are reviewed on a competitive basis and awards made to nonprofits or Missouri businesses for 50% or 70% of the approved budget. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 16 Million None _____ Cap Shared Between Programs <input type="text" value="No"/> Which Program(s)? _____ | | | | | | |
| Explanation of Cap: Effective August 28, 2008, fiscal year cap was reduced from \$18 million to \$16 million. | | | | | | |
| Sunset Provision: | | <input type="text" value="No"/> | Date of Sunset _____ | | Date of Last Sunset Extension _____ | |
| Explanation of Expiration of Authority: | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward | <input type="text" value="5 years"/> | Carry Back | <input type="text" value="n/a"/> | Refundable | <input type="text" value="No"/> | Apportioned |
| | | | | | | <input type="text" value="No"/> |
| Sellable/Assignable | <input type="text" value="No"/> | Organizations Remit an Offset | <input type="text" value="No"/> | Additional Federal Deductions/Credits Available | | |
| | | | | <input type="text" value="No"/> | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 1,371 | 1,387 | 1,245 | 468 | 1,334 | 1,334 |
| Projects/Participants (#) | 65 | 71 | 66 | 29 | 67 | 67 |
| Amount Authorized | \$12,673,134 | \$15,028,834 | \$12,804,707 | \$6,850,787 | 13,502,225 | 13,502,225 |
| Amount Issued | \$11,113,006 | \$12,330,085 | \$10,200,112 | \$4,497,220 | 11,214,401 | 11,214,401 |
| Amount Redeemed | \$8,067,535 | \$9,107,307 | \$9,185,734 | \$4,519,960 | 8,786,859 | 8,786,859 |
| FY 2025 EST. Amount Outstanding \$19,075,360.88 | | | | | | |
| FY 2025 EST. Amount Authorized but Unissued \$26,511,486.00 | | | | | | |

TAX CREDIT ANALYSIS

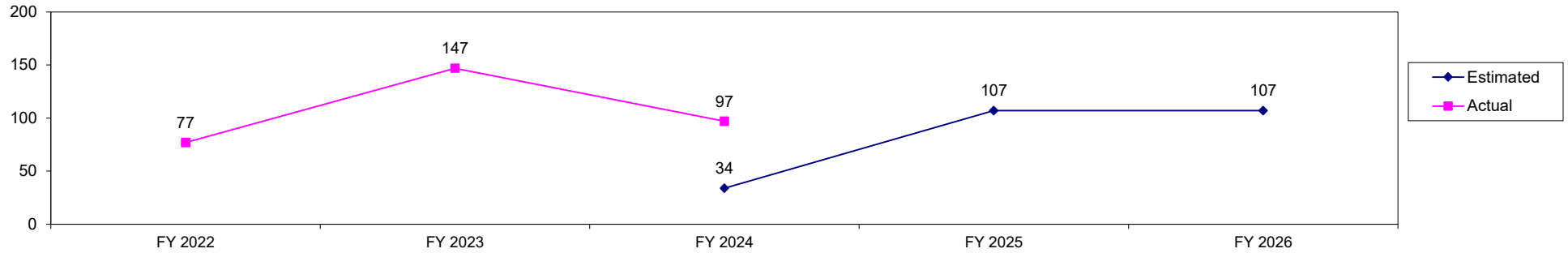


TAX CREDIT ANALYSIS

Program Name: Neighborhood Assistance Program (NAP)

PERFORMANCE MEASURE(S)

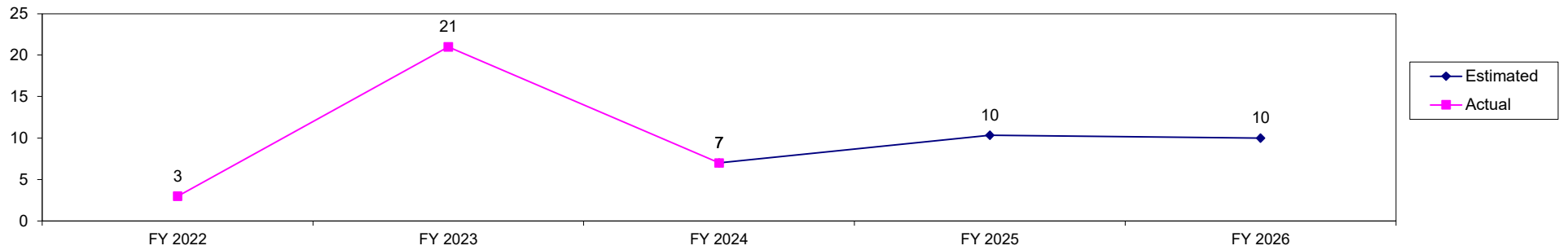
Permanent New/Retained Jobs



Comments on Performance Measure:

Numbers are dependent on the type of projects that were "Closed" out this fiscal year.

New/Renovated Facilities



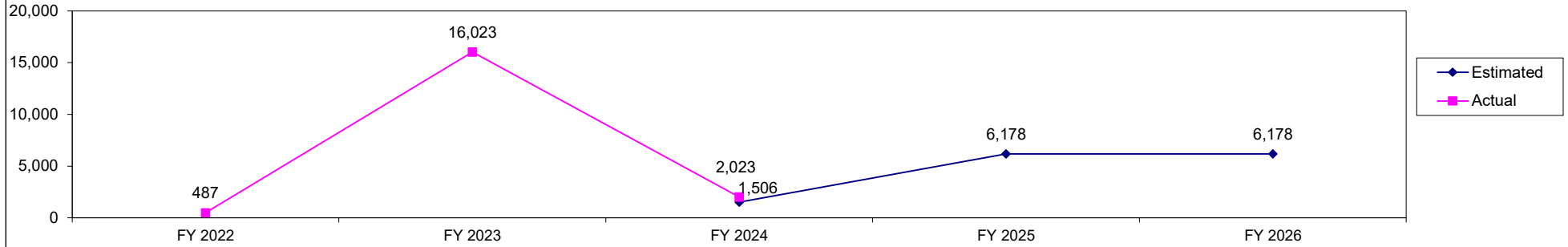
Comments on Performance Measure:

Numbers are dependent on the type of projects that were "Closed" out this fiscal year. Numbers are dependent on the type of projects that are funded each year.

TAX CREDIT ANALYSIS

Program Name: Neighborhood Assistance Program (NAP)

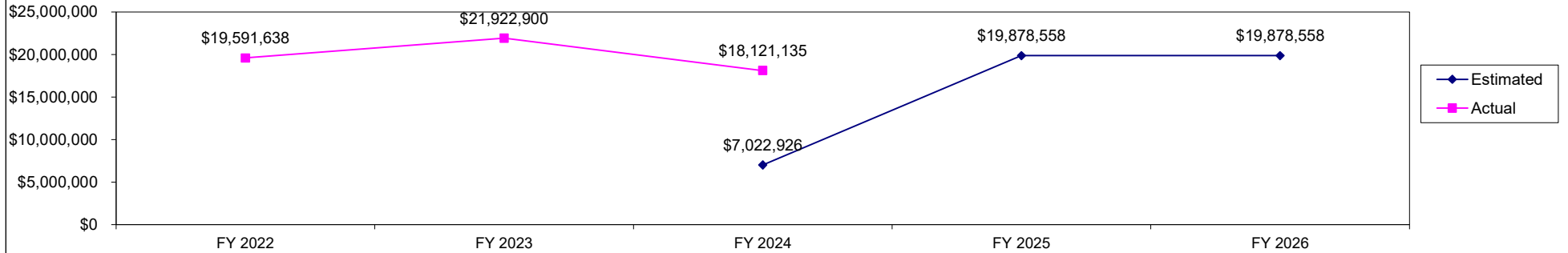
Individuals Learning Life Skills



Comments on Performance Measure:

Includes individuals earning GEDs, job training and other skills necessary to become productive citizens. Numbers are dependent on the type of projects that were "Closed" out this fiscal year.

Private Investment



Comments on Performance Measure:

NAP tax credits leveraged (Total Contributions - Total Credits Issued)



SMALL BUSINESS INCUBATOR TAX CREDIT PROGRAM

To generate private funds to be used to establish a “protective business environment” (incubator) in which a number of small businesses can collectively operate, fostering growth and development during a business’ start-up period.

AUTHORIZATION

Section 620.495, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE DONORS

Individuals and businesses with Missouri State tax liability, including non-for profit corporations, except those that benefit directly from General Revenue.

PROGRAM BENEFITS/ELIGIBLES

This 50% tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

This credit’s special attributes:

- Carry forward 5 years
- Sellable or transferable (75¢ minimum)

FUNDING LIMITS

The maximum amount of tax credits which can be authorized is \$500,000 per calendar year.

APPLICATION/APPROVAL PROCEDURE

An incubator sponsor, as defined in Missouri Statute, must apply to the Department of Economic Development for designation as an approved Missouri Certified Incubator. DED reviews and approves applications based on the following criteria:

- Ability of the sponsor to carry out the provisions of 620.495, RSMo;
- Economic impact of the incubator on the community;
- Conformance with area-wide and local economic development plans, if they exist; and
- Location of the incubator (encouraging geographic distribution of incubators throughout the state).

Funding of the authorized \$500,000 tax credit cap is allocated annually to approved Certified Missouri Incubators through application. Allocation decisions are determined by DED based on the demonstrated need for the credits.

Certified Missouri Incubators may receive contributions from the tax payers up to the authorized amount.

Tax payers may receive tax credits in the amount of 50% of the contributions.

CONTACT

Missouri Department of Economic Development

Division of Community Solutions

301 West High Street, Suite 770 | P.O. Box 118

Jefferson City, MO | 65102

Phone: 573-526-6708

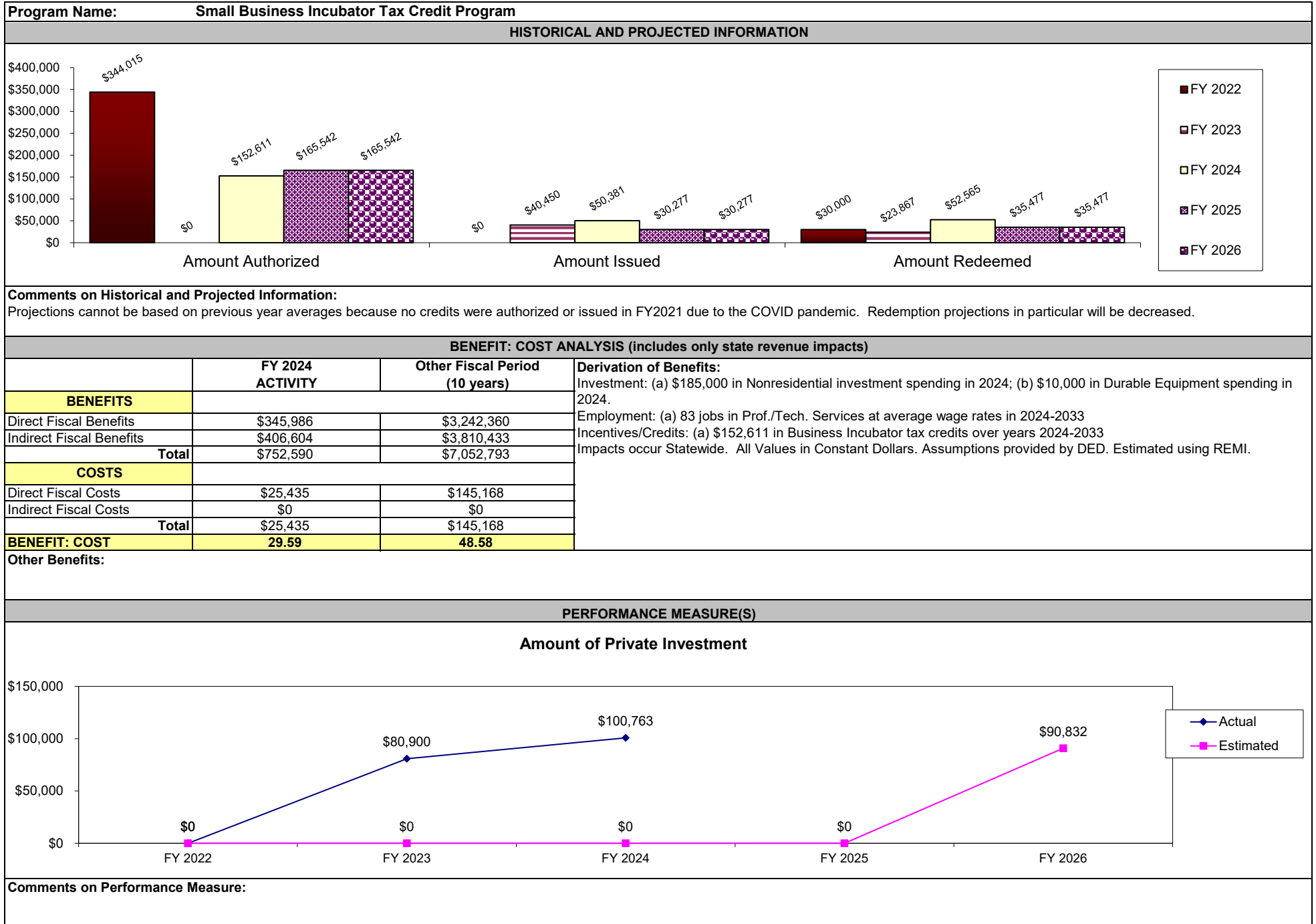
E-mail: community@ded.mo.gov

Web: www.ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | | | | |
|---|--------------------------------------|---|---|---|--|------------------------------|---------------------------------|--------------|---------------------------------|
| Program Name: Small Business Incubator Tax Credit Program | | | | | | | | | |
| Department: Economic Development | | Contact Name & No.: Daniel Epler (573) 751-5798 | | | Date: January 2025 | | | | |
| Program Category: Entrepreneurial | | Type: | Tax Credit | Other: | | | | | |
| Statutory Authority: Section 620.495, RSMo | | Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, and other financial institutions tax | | | | | | | |
| Tax Credit Creation Date: 1989 | | Year of Last Legislative Change: 2007 | | | | | | | |
| Program Description and Eligibility Requirements: A taxpayer who makes a contribution to an approved small business incubator sponsor or fund can claim a state tax credit for a percentage of such contribution. | | | | | | | | | |
| Explanation of How Award is Computed: The tax credit is equal to 50% of the contribution. | | Entitlement | <input type="text" value="No"/> | Discretionary | <input type="text" value="Yes"/> | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 500,000 None _____ Cap Shared Between Programs <input type="text" value="No"/> Which Program(s)? _____ | | | | | | | | | |
| Explanation of Cap: The \$500,000 annual cap is allocated each calendar year to approved incubators requesting funds based on need, competition and the appropriate use of contributions. | | | | | | | | | |
| Sunset Provision: | | <input type="text" value="No"/> | Date of Sunset _____ | | Date of Last Sunset Extension _____ | | | | |
| Explanation of Expiration of Authority: | | | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | | | |
| Carry forward | <input type="text" value="5 years"/> | Carry Back | <input type="text" value="n/a"/> | Refundable | <input type="text" value="No"/> | Apportioned | <input type="text" value="No"/> | Appropriated | <input type="text" value="No"/> |
| Sellable/Assignable | <input type="text" value="Yes"/> | Organizations Remit an Offset | <input type="text" value="No"/> | Additional Federal Deductions/Credits Available | | | <input type="text" value="No"/> | | |
| Comments on Specific Provisions: 75% of par value. | | | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | | | |
| Certificates Issued (#) | 0 | 12 | 18 | 0 | 10 | 10 | | | |
| Projects/Participants (#) | 4 | 0 | 2 | 0 | 2 | 2 | | | |
| Amount Authorized | \$344,015 | \$0 | \$152,611 | \$0 | 165,542 | 165,542 | | | |
| Amount Issued | \$0 | \$40,450 | \$50,381 | \$0 | 30,277 | 30,277 | | | |
| Amount Redeemed | \$30,000 | \$23,867 | \$52,565 | \$6,574 | 35,477 | 35,477 | | | |
| | | | | | | | | | |
| FY 2025 EST. Amount Outstanding | \$19,168.00 | | FY 2025 EST. Amount Authorized but Unissued | | \$102,230.00 | | | | |
| | | | | | | | | | |

TAX CREDIT ANALYSIS





YOUTH OPPORTUNITIES TAX CREDIT PROGRAM

To broaden and strengthen opportunities for positive development and participation in community life for youth.

AUTHORIZATION

Sections 135.460 and 620.1100 to 620.1103, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

- Non-Profit Organizations
- Schools*
- Faith-based Organizations*
- Local Governments
- Missouri Businesses
- Public or Private Entities

*Schools and faith-based organizations must meet certain criteria.

ELIGIBLE DONORS

Individuals and businesses with Missouri State tax liability.

ELIGIBILITY CRITERIA

Tax credits are allocated to organizations administering projects that have been approved through the application process. Approved organizations secure contributions from their community, and the contributor receives tax credits for those contributions.

Eligible Projects include:

- Degree Completion
- Internship/Apprenticeship
- Youth Clubs/Associations
- Adopt-A-School
- Mentor/Role Model
- Substance Abuse Prevention
- Violence Prevention
- Youth Activity Centers
- Conflict Resolution
- Employment
- Counseling

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

This credit's special attributes:

- Carry forward 5 years

FUNDING LIMITS

The maximum amount of tax credits which can be authorized is \$6 million per calendar year. The tax credits are allocated at the discretion of DED.

Applicant organizations may request a maximum of \$200,000 in 50% tax credits per project.

Each donor is limited to \$200,000 in tax credits annually.

REPORTING REQUIREMENTS

Biannual reports, a final report, and a final audit (for projects using \$40,000 or more in tax credits).

CONTACT

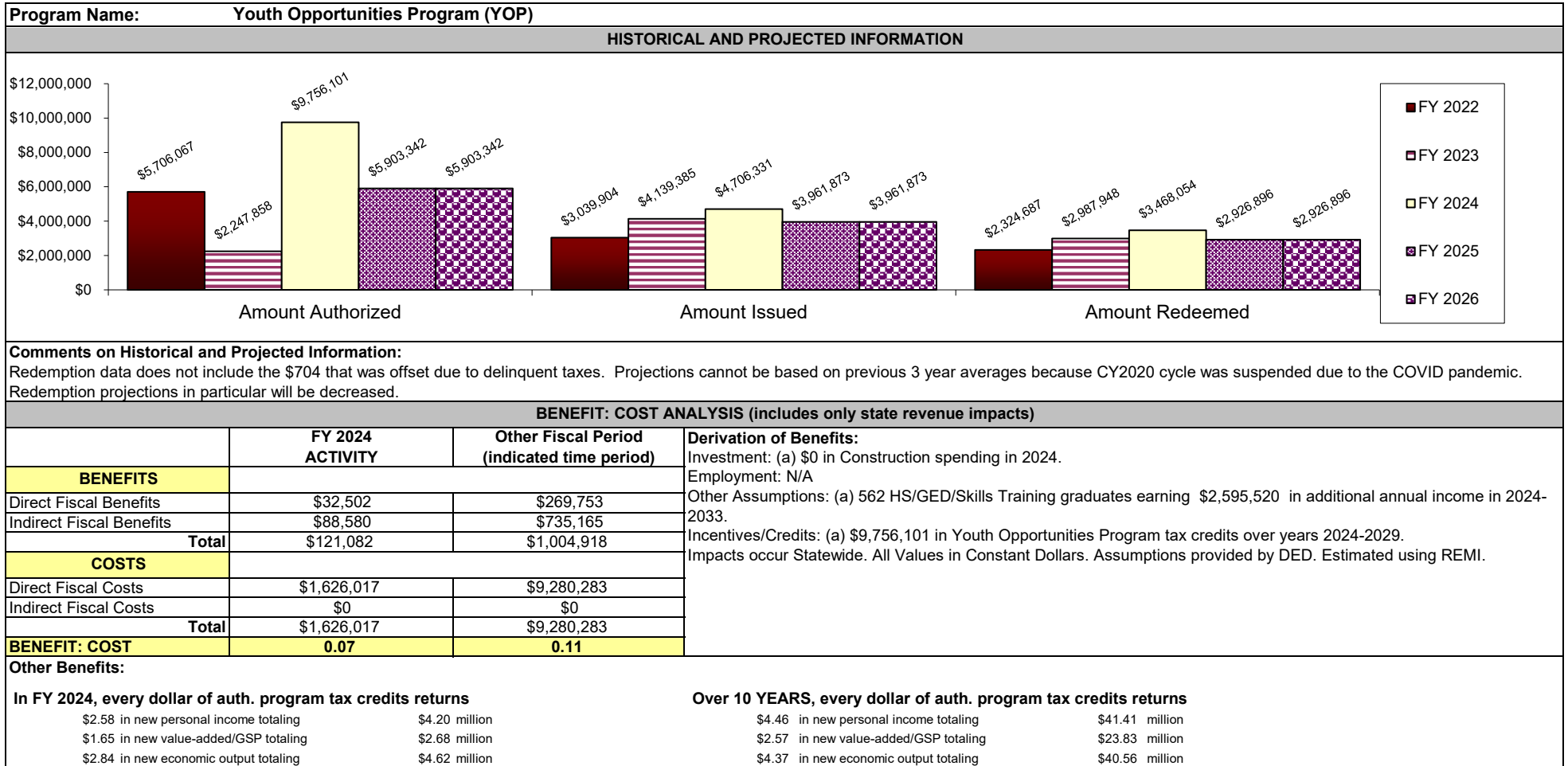
Missouri Department of Economic Development
Division of Community Solutions

301 West High Street, Suite 770 | P.O. Box 118
Jefferson City, MO | 65102
Phone: 573-522-9062
E-mail: community@ded.mo.gov
Web: www.ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|--|---|---|----------------------------|--|
| Program Name: Youth Opportunities Program (YOP) | | | | | | |
| Department: Economic Development | | Contact Name & No.: Daniel Epler (573) 751-5798 | | | Date: January 2025 | |
| Program Category: Domestic and Social | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Sections 135.460 and 620.1100-620.1103, RSMo | | Applicable Taxes: Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express companies tax | | | | |
| Tax Credit Creation Date: 1995 | | Year of Last Legislative Change: 2014 | | | | |
| Program Description and Eligibility Requirements: This is a contribution tax credit program which broadens and strengthens opportunities for positive development and participation in community life for youth and discourages criminal and violent behavior. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved YOP projects. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="text" value="No"/> | | Discretionary <input type="text" value="Yes"/> | | |
| Applications are reviewed on a competitive basis and awards made to eligible organizations for 50% of the approved project budget. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 6 Million _____ None _____ Cap Shared Between Programs <input type="text" value="No"/> Which Program(s)? _____ | | | | | | |
| Explanation of Cap: The cap is on a calendar year. The numbers below are reported on a fiscal year. | | | | | | |
| Sunset Provision: | | <input type="text" value="No"/> | | Date of Sunset _____ | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: | | | | | | |
| Specific Provisions: (if applicable) | | | | | | |
| Carry forward <input type="text" value="5 years"/> | | Carry Back <input type="text" value="n/a"/> | | Refundable <input type="text" value="No"/> | | Apportioned <input type="text" value="No"/> |
| Sellable/Assignable <input type="text" value="No"/> | | Organizations Remit an Offset <input type="text" value="No"/> | | Additional Federal Deductions/Credits Available <input type="text" value="No"/> | | Appropriated <input type="text" value="No"/> |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 974 | 1,504 | 1,559 | 564 | 1,346 | 1,346 |
| Projects/Participants (#) | 36 | 13 | 57 | 6 | 35 | 35 |
| Amount Authorized | \$5,706,067 | \$2,247,858 | \$9,756,101 | \$1,005,755 | 5,903,342 | 5,903,342 |
| Amount Issued | \$3,039,904 | \$4,139,385 | \$4,706,331 | \$1,572,532 | 3,961,873 | 3,961,873 |
| Amount Redeemed | \$2,324,687 | \$2,987,948 | \$3,468,054 | \$1,612,442 | 2,926,896 | 2,926,896 |
| | | | | | | |
| FY 2025 EST. Amount Outstanding | \$6,542,476.12 | | FY 2025 EST. Amount Authorized but Unissued | | \$8,808,028.00 | |

TAX CREDIT ANALYSIS

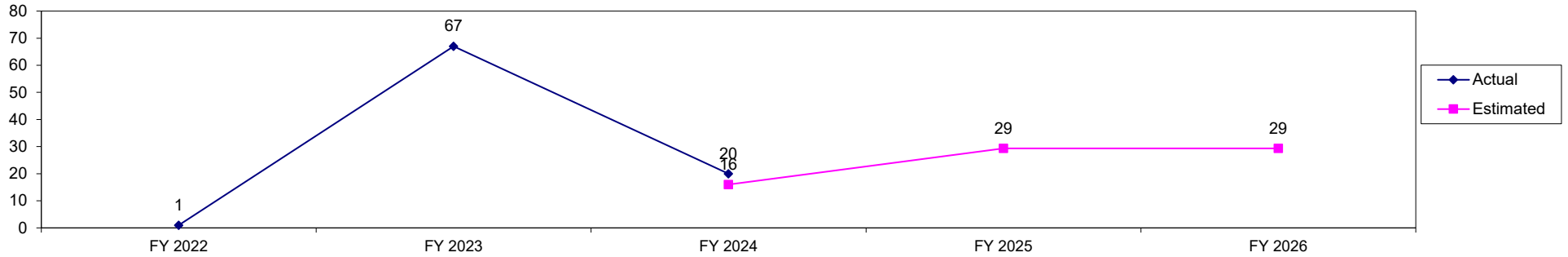


TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program (YOP)

PERFORMANCE MEASURE(S)

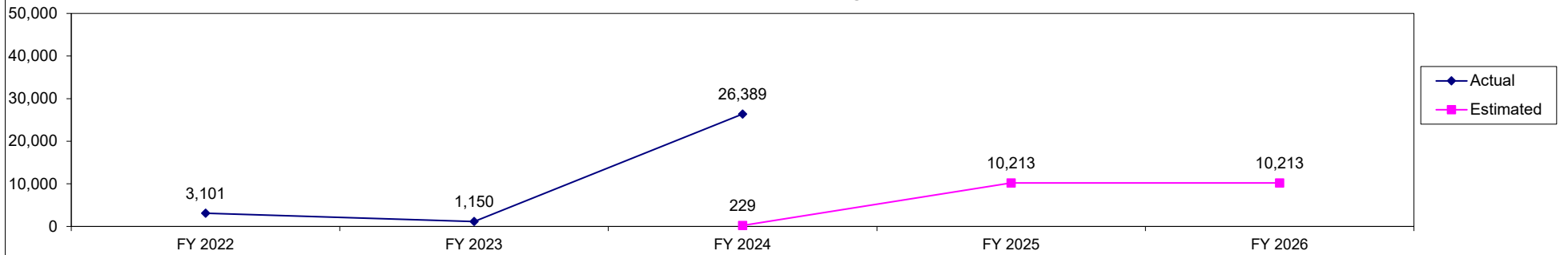
Permanent New/Retained Jobs



Comments on Performance Measure:

Numbers are dependent on the types of projects that were "Closed" out this fiscal year.

Number of Youth Learning Life Skills



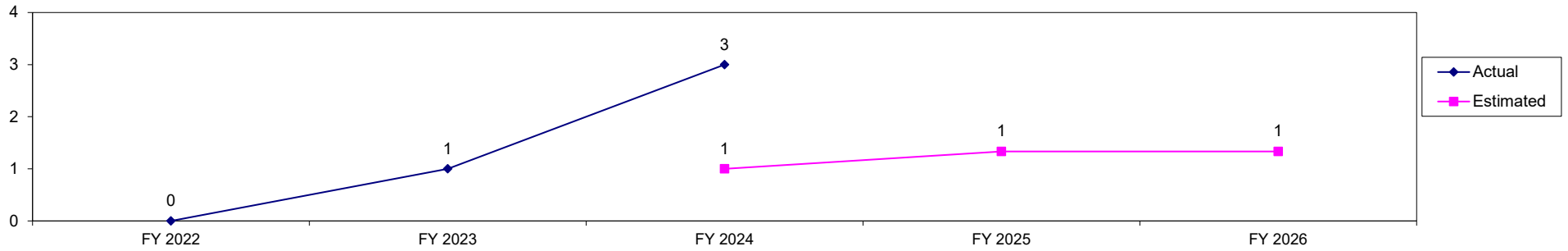
Comments on Performance Measure:

Includes individuals earning GEDs, job training and other skills necessary to become productive citizens. Numbers are dependent on the type of projects that were "Closed" out this fiscal year.

TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program (YOP)

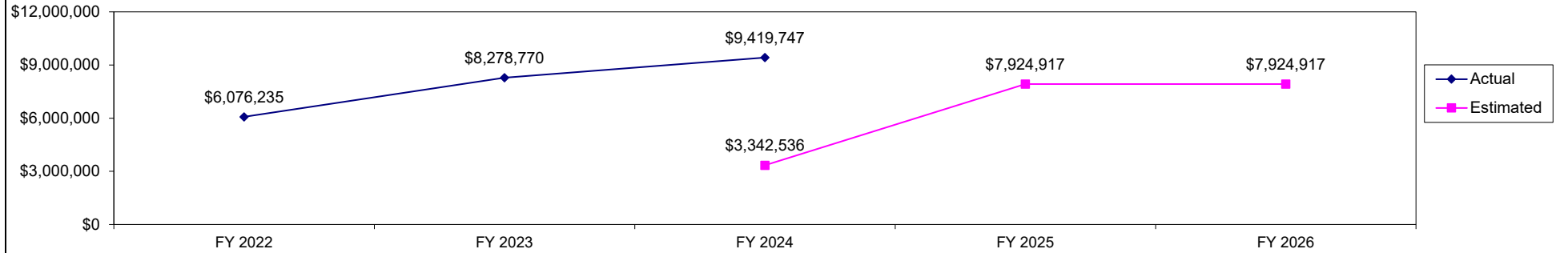
Number of New/Renovated Facilities



Comments on Performance Measure:

Numbers are dependent on the type of projects that were "Closed" out this fiscal year.

Amount of Private Investment



Comments on Performance Measure:

Total Private Contributions going into approved projects.

Cap Exhausted/Sunset/Eliminated by Statute

| | |
|---|-----|
| CAPCO Program (Certified Capital Company) - <i>Cumulative Cap Exhausted</i> | 111 |
| Development Tax Credit - <i>Replaced by Missouri Works Program, except for Current Projects</i> | 115 |
| Missouri Manufacturing Jobs Act - <i>Sunset</i> | 120 |
| Rebuilding Communities - <i>Replaced by Missouri Works Program, except for Current Projects</i> | 125 |

Listed below are programs no longer included in this book as the programs were eliminated by Statute and no longer have redemptions:

Brownfield Jobs and Investment

Dry Fire Hydrant Tax Credit Program

Enterprise Zone Tax Credit Benefit Program

Film Production Tax Credit Program (*Replaced by Motion Media Tax Credit Program*)

Innovation Campus Tax Credit Program

Land Assemblage Tax Credit Program

New Markets Tax Credit Program

Transportation Development Tax Credit



CERTIFIED CAPITAL COMPANY PROGRAM (CAPCO)

PURPOSE

Induce private investment into certified venture capital funds that invest in new or growing Missouri small businesses.

AUTHORIZATION

Sections 135.500 to 135.529, RSMo
Regulations: 4 CSR 80-7.010 to 7.040

HOW THE PROGRAM WORKS

Private venture capital firms apply to the department for certification as a CAPCO. CAPCOs are allocated state tax credits to be given to insurance companies that invest in the CAPCO funds. At this point, all credits allowed under the law have been authorized. The credits can only be applied toward premium tax liability.

CAPCOs are required to make equity investments in eligible Missouri businesses according to a timetable set by law.

ELIGIBLE AREAS

Eligible Missouri businesses can be located statewide for all funds except funds created through the "distressed community" allocation. These funds must be invested in businesses located in distressed communities; visit DED's website at ded.mo.gov.

ELIGIBLE CAPCO INVESTMENTS

A CAPCO may invest in a "qualified Missouri business," which must:

- Be independently owned and operated;
- Be headquartered in Missouri;
- Employ less than 200 persons before the investment is made with at least 80% of them employed in Missouri;
- Be a small business concern that meets the requirements of the United States Small Business Administration qualification size standards for its venture capital program as defined in Section 13 CFR 121.801(c) of the Small Business Investment Act of 1958, as amended;
- Be in need of venture capital and unable to obtain conventional financing; and
- Derive its revenue primarily from:
 - Manufacturing, processing or assembling of products;
 - Conducting research and development; or
 - Providing services in interstate commerce, excluding retail, real estate, real estate development, insurance and professional services provided by accountants, lawyers or physicians (service businesses must demonstrate that more than 33% of its revenue would be from outside the state of Missouri).

CAPCO fund investments can be in the form of equity investments, unsecured loans or hybrid investments.

CAPCO funds invested in the business must be used for new capital improvements, research and development and certain working capital expenses. All such funds must be used in Missouri.

The maximum amount a CAPCO may invest in one Missouri business is 15% of the CAPCO's certified capital.

Funding decisions are made by each CAPCO based on its evaluation.

AWARDED CAPCOs

DED does not have the authority to require a CAPCO to fund a project. Small businesses interested in receiving funding through this program may contact each CAPCO directly:

Advantage Capital Missouri Partners*

Pierre LaCade Center
7733 Forsyth Blvd.
St. Louis, MO 63105
(314) 725-0800

BOME Investors/Gateway Associates*

8000 Maryland Avenue, Suite 1190
St. Louis, MO 63105
(314) 721-5707

CAPCO Holdings, L.C.**

300 West 11th Street
Kansas City, MO 64105
(816) 391-2040

CFB Emerging Business Fund
11 South Meramec, Suite 1330
St. Louis, MO 63105
(314) 746-7427

Stifel; CAPCO, Inc.*
500 North Broadway
Suite 1400
St. Louis, MO 63102
(314) 342-2118

*Has a distressed community fund

** Only a distressed community fund

CONTACT

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Division of Business and Community Services

Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: ded.mo.gov

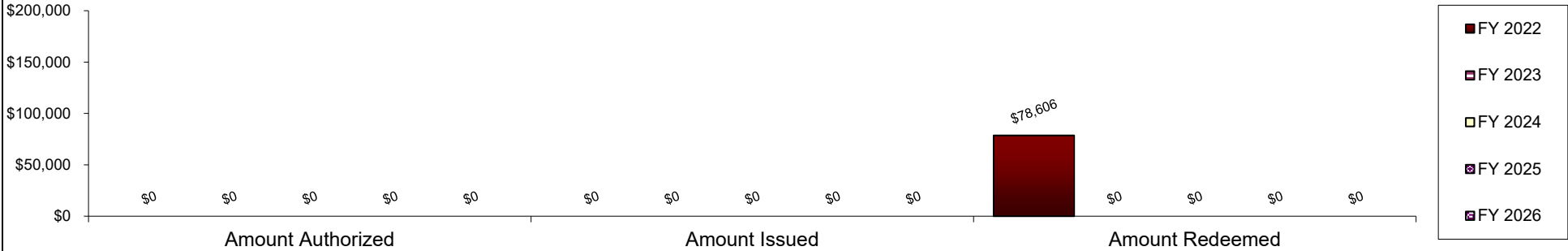
TAX CREDIT ANALYSIS

| Program Name: Certified Capital Companies (CAPCO) | | | | | | |
|---|--------------------------|--|--------------------------------|---|--|--------------------------|
| Department: Economic Development | | Contact Name & No.: Olivia Bartens (573) 526-0308 | | | Date: January 2025 | |
| Program Category: Entrepreneurial | | Type: | Tax Credit | Other: | | |
| Statutory Authority: Sections 135.500-135.529, RSMo | | Applicable Taxes: | | Insurance Premium Tax | | |
| Tax Credit Creation Date: 1996 | | Year of Last Legislative Change: | | 2008 | | |
| Program Description and Eligibility Requirements: Insurance companies that invest in a certified CAPCO receive a tax credit. | | | | | | |
| Explanation of How Award is Computed: The tax credit is equal to 100% of the investment. | | Entitlement | <input type="text"/> Yes | Discretionary | <input type="text"/> No | |
| Program Cap: Cumulative \$ 140M over ten (remainder of cumulative cap) \$ _____ Annual \$ _____ None _____ years | | | | | | |
| Cap Shared Between Programs | | <input type="text"/> No | Which Program(s)? _____ | | | |
| Explanation of Cap: The tax credits can be claimed at up to 10% of the authorized amount per year over a 10-year period. | | | | | | |
| Sunset Provision: | | <input type="text"/> No | Date of Sunset _____ | | Date of Last Sunset Extension _____ | |
| Explanation of Expiration of Authority: | | | | | | |
| Specific Provisions: (if applicable) Carry forward <input type="text"/> n/a Carry Back <input type="text"/> n/a Refundable <input type="text"/> No Apportioned <input type="text"/> No Appropriated <input type="text"/> No Sellable/Assignable <input type="text"/> Yes Organizations Remit an Offset <input type="text"/> No Additional Federal Deductions/Credits Available <input type="text"/> No | | | | | | |
| Comments on Specific Provisions: Can carry forward tax credit until they are used. | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 0 | 0 | 0 | 0 | 0 |
| Projects/Participants (#) | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount Authorized | Cumulative Cap Exhausted | Cumulative Cap Exhausted | Cumulative Cap Exhausted | Cumulative Cap Exhausted | Cumulative Cap Exhausted | Cumulative Cap Exhausted |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amount Redeemed | \$78,606 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FY 2024 EST. Amount Outstanding | | \$0 | | FY 2024 EST. Amount Authorized but Unissued | | \$0 |

TAX CREDIT ANALYSIS

Program Name: Certified Capital Companies (CAPCO)

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

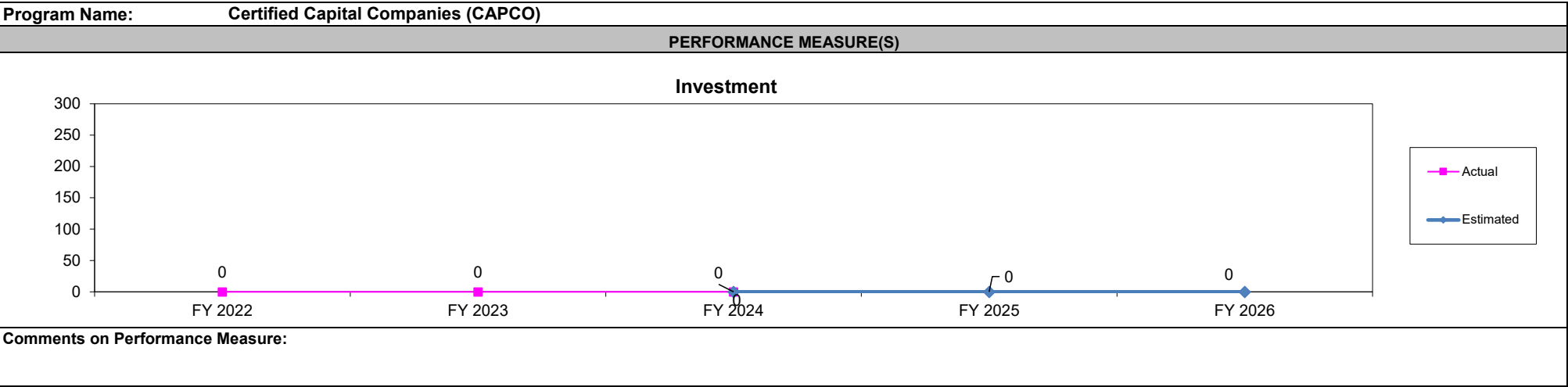
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (15 years) |
|--------------------------|---------------------|-----------------------------------|
| BENEFITS | | |
| Direct Fiscal Benefits | | |
| Indirect Fiscal Benefits | | |
| Total | \$0 | \$0 |
| COSTS | | |
| Direct Fiscal Costs | | |
| Indirect Fiscal Costs | | |
| Total | \$0 | \$0 |
| BENEFIT: COST | #DIV/0! | #DIV/0! |

Derivation of Benefits:
No authorizations in FY2024.

Other Benefits:

TAX CREDIT ANALYSIS





DEVELOPMENT TAX CREDIT PROGRAM

PURPOSE

To facilitate a business project in order to create new jobs. The Development Tax Credit Program (DTC) offers state tax credits to taxpayers making contributions to a not-for-profit corporation (NFP) for projects approved by the Department of Economic Development (DED). The credits are for 50% of the contribution of cash or the value of certain types of property.

AUTHORIZATION

Sections 32.100 to 32.125, RSMo

Regulations: 4 CSR 85-2.015, 2.030 to 2.040

ELIGIBLE AREAS

Statewide, but the project must be located or qualify as a "blighted" or "conservation" area as defined in Tax Increment Financing (§99.805, RSMo), an enterprise zone (Ch. 135.200 et seq., RSMo), an enhanced enterprise zone (Ch. 135.9, RSMo) or an urban redevelopment area (Ch. 353, RSMo.)

ELIGIBLE APPLICANTS

Generally, manufacturing, processing or assembly projects that propose wages above the average for the area and provide health benefits are prioritized. Other types of projects may be considered for approval if tax credits remain near the end of the state fiscal year. There must be a positive economic benefit to the state. This calculation includes other state incentives provided for the project, and new public costs necessary to support the project.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
- Bank Tax
- Insurance Premium Tax
- Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

The DTC program may be used for the acquisition of land or buildings through the purchase from cash contributions or donation of real estate. The acquisition of new or used machinery and equipment is also eligible if it is to be placed in an existing building.

This credit's special attributes:

- Carry forward 5 years
- Sellable or transferable

FUNDING LIMITS

The amount of tax credits available for a single project:

- Is limited to the lesser of \$500,000, or \$10,000 per full-time, permanent job created by the business within two years of execution of the lease; and
- Must be the least amount necessary to cause the project to occur.

Credits authorized under this program are limited to \$6,000,000 per fiscal year.

APPLICATION/APPROVAL PROCEDURE

- Applications will be accepted by DED at any time of the year and will be approved on an individual, case-by-case basis, based on compliance with all program criteria, the need for this program to make a project feasible, a positive economic impact on the state and the availability of tax credits.
- The company cannot make a public announcement of the project prior to DED's contingent approval of an application.
- The not-for-profit (NFP) submits application documents to DED. If DED approves the request, a letter will be sent to the sponsor and company.

A DTC Agreement is executed between DED, the company and the not-for-profit. A lease agreement is executed between the company and the NFP. After the contribution is made, DED will issue tax credit certificates to the contributor.

REPORTING REQUIREMENTS

For three years following the year of the first issuance of tax credits, a Tax Credit Accountability Act Reporting form is sent out by the DED. It must be filled out and received back by

June 30 to avoid penalties.

SPECIAL PROGRAM REQUIREMENTS

- The NFP must retain ownership of all properties acquired by the contribution for a minimum of five years. DED may allow a longer lease period depending on the needs of the project.
- The eventual disposition of properties acquired by the contribution will be no less than 75% of the fair market value of the facility, excluding the value of leasehold improvements.
- The amount of the lease payments will be determined by DED based on the following:
 - costs of the non-profit to operate and maintain the subject assets (if any); and

- the amount of tax credits issued. In most cases, the NFP will provide DED the lease payments received in an amount to repay the tax credits plus interest.
- Only not-for-profit organizations authorized to operate in Missouri and headquartered in the geographic area of the proposed project are eligible recipients of DTC approved contributions. The business that will lease property from the NFP cannot have significant representation on the NFP's board.
- Ineligible NFP's include: churches and their denominational headquarters, units of government and any affiliated organization under their direct supervision, partisan organizations and public or tuition-based private schools.

CONTACT

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E-mail: dedfin@ded.mo.gov • Web: www.ded.mo.gov

TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|--|-----------------------|---|----------------------------|-------------------------------------|
| Program Name: Development Tax Credit | | | | | | |
| Department: Economic Development | | Contact Name & No.: Olivia Bartens (573) 526-0308 | | | Date: January 2025 | |
| Program Category: Business Recruitment | | Type: Tax Credit | | Other: | | |
| Statutory Authority: Sections 32.100-32.125, RSMo | | Applicable Taxes: Income Tax, Corporate Franchise Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax, Express Company Tax | | | | |
| Tax Credit Creation Date: 1989 | | Year of Last Legislative Change: 2009 | | | | |
| Program Description and Eligibility Requirements: Donations must be made to a non-profit corporation; specified number of jobs must be created within 2 years and maintained for 5 years; application must have the local agency's endorsement; project must be located in a distressed or blighted area; and, the benefiting business must be a for-profit business. | | | | | | |
| Explanation of How Award is Computed: <div style="display: flex; justify-content: space-between;"> Entitlement <input type="checkbox"/> No Discretionary <input type="checkbox"/> Yes </div> The tax credit is equal to 50% of a contribution made to a non-profit corporation. The non-profit uses the contributed funds to purchase assets that would be leased to an approved business. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ <u>6 million</u> None _____ Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | |
| Explanation of Cap: Credits may not exceed \$4 million for any one fiscal year, except that for fiscal years 2005, 2006, and 2007 credits shall not exceed \$6 million per fiscal year. SB 1155 (2004). Effective August 28, 2008, the cap is \$6 million. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes | | Date of Sunset <u>8/27/2013</u> | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: No new projects may be proposed after August 27, 2013. | | | | | | |
| Specific Provisions: (if applicable) <div style="display: flex; justify-content: space-between;"> <div>Carry forward <input type="checkbox"/> 5 years</div> <div>Carry Back <input type="checkbox"/> n/a</div> <div>Refundable <input type="checkbox"/> No</div> <div>Apportioned <input type="checkbox"/> No</div> <div>Appropriated <input type="checkbox"/> No</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Sellable/Assignable <input type="checkbox"/> Yes</div> <div>Organizations Remit an Offset <input type="checkbox"/> No</div> <div>Additional Federal Deductions/Credits Available <input type="checkbox"/> No</div> </div> | | | | | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 0 | 0 | 0 | 0 | 0 |
| Projects/Participants (#) | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amount Redeemed | \$178,090 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FY 2024 EST. Amount Outstanding | | \$0 | | FY 2024 EST. Amount Authorized but Unissued | | \$0 |

TAX CREDIT ANALYSIS

Program Name:

Development Tax Credit

HISTORICAL AND PROJECTED INFORMATION

\$500,000

\$400,000

\$300,000

\$200,000

\$100,000

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$178,090

\$0

\$0

\$0

\$0

Amount Authorized

Amount Issued

Amount Redeemed

FY 2022

FY 2023

FY 2024

FY 2025

FY 2026

Comments on Historical and Projected Information:

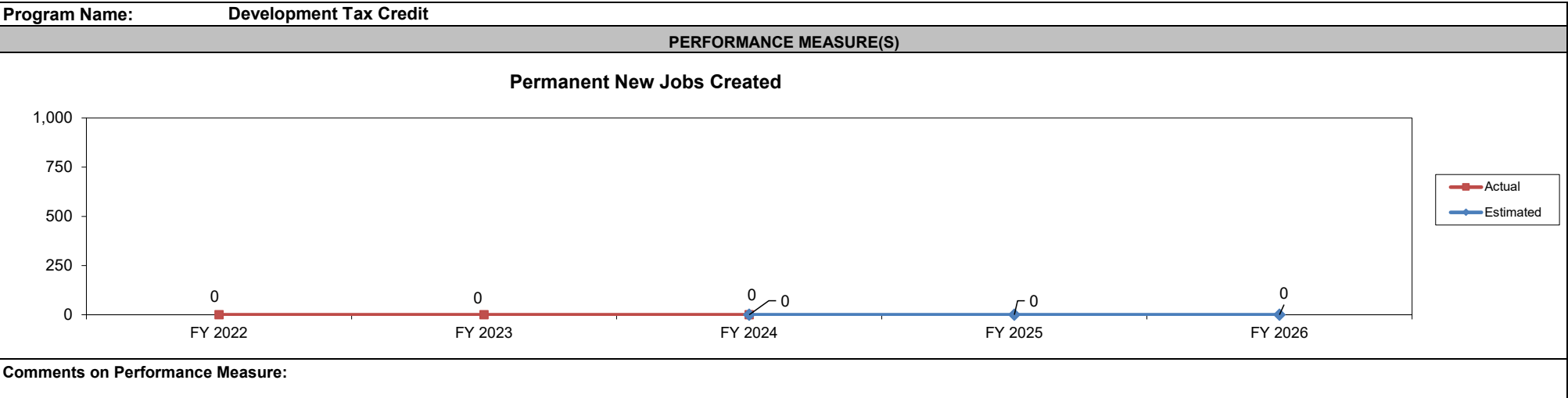
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (indicated time period) | Derivation of Benefits: No authorizations in FY2024. |
|--------------------------|---------------------|--|---|
| BENEFITS | | | |
| Direct Fiscal Benefits | | | |
| Indirect Fiscal Benefits | | | |
| Total | \$0 | \$0 | |
| COSTS | | | |
| Direct Fiscal Costs | | | |
| Indirect Fiscal Costs | | | |
| Total | \$0 | \$0 | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | |

Other Benefits:

118

TAX CREDIT ANALYSIS





MISSOURI MANUFACTURING JOBS ACT

PURPOSE

The Missouri Manufacturing Jobs Act will allow qualified automotive manufacturing facilities or suppliers that bring next-generation production lines to Missouri to retain withholding taxes typically remitted to the state.

AUTHORIZATION

Section 620.1910, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Qualified manufacturing companies with a NAICS code of 33611 that:

- (a) Manufacture goods at a facility in Missouri throughout the period in which the company receives benefits under the Act; and
- (b) Makes a capital investment of at least \$75,000 per retained job at the facility for the manufacture of a new product within two years of beginning to retain withholding taxes; or
- (c) Commits to make a capital investment of at least \$50,000 per retained job at the facility for the modification or expansion of the manufacture of an existing product within two years of beginning to retain withholding taxes.

Qualified suppliers that:

- (a) Attest to the Department of Economic Development (DED) that it derives more than 10% of its total annual sales revenue from sales to a qualified manufacturing company;
- (b) Adds five or more new jobs;
- (c) Pays wages for the new jobs that are equal to or exceeds the lower of the county average wage for Missouri as determined by the department using the NAICS industry classifications but are not less than 60% of the statewide average wage; and
- (d) Provides health insurance for all full-time jobs and pays at least 50% of the insurance premiums.

PROGRAM BENEFITS/ELIGIBLE USES

Allows a qualified manufacturing company, beginning January 1, 2012, upon approval of a notice of intent by the department, to retain 100% of the withholding taxes from full-time jobs at the facility for 10 years if it manufactures a new product, or to retain 50% of withholding taxes from full-time jobs for seven years if it modifies or expands the manufacture of an existing product.

Allows a qualified supplier, upon approval of a notice of intent by the department, to retain 100% of the withholding taxes

from new jobs for three years. If the qualified supplier pays wages for the new jobs that are equal to or greater than 120% of the county average wage for Missouri as determined by the department using NAICS industry classifications, it can retain the withholding taxes for five years.

FUNDING LIMITS

Limits the amount of retained withholding taxes authorized under the Act for any one qualified manufacturing company to \$10 million per year and limits the aggregate amount of retained withholding taxes authorized under the Act to \$15 million per year.

Specifies that if a qualified manufacturing company is utilizing withholding taxes from jobs at the facility for any other state program, the taxes will first be credited to the other state program before beginning to accrue under the provisions of the Act. The other state programs include, but are not limited to:

- (a) New Jobs Training Program (Sections 178.892 - 178.896);
- (b) Job Retention Program (Sections 178.760 - 178.764);
- (c) Real Property Tax Increment Allocation Redevelopment Act (Sections 99.800 - 99.865); or
- (d) Missouri Downtown and Rural Economic Stimulus Act (Sections 99.915 - 99.980).

REPORTING REQUIREMENTS

On an annual basis, the business must submit a report documenting the retained jobs or new jobs created, the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period.

SPECIAL PROGRAM REQUIREMENTS

Allows a qualified manufacturing company to remain eligible to participate in the Missouri Quality Jobs Program for any new jobs for which it does not retain withholding taxes, if it meets the qualifications for that program but prohibits a qualified manufacturing company from simultaneously receiving benefits from:

- (a) Business use incentives for large-scale developments (Sections 100.700 - 100.850, RSMo);
- (b) New or expanded business facilities (Sections 135.100 - 135.150);
- (c) Enterprise zones (Sections 135.200 - 135.286);
- (d) Relocation of a business to a distressed community (Section 135.535); or
- (e) Rural empowerment zones (Sections 135.900 - 135.906).

A qualified supplier is prohibited from simultaneously receiving benefits from:

- (a) Business use incentives for large-scale developments (Sections 100.700 - 100.850);
- (b) New or expanded business facilities (Sections 135.100 - 135.150);
- (c) Enterprise zones (Sections 135.200 - 135.286);
- (d) Relocation of a business to a distressed community (Section 135.535);
- (e) Rural empowerment zones (Sections 135.900 - 135.906);
- (f) Enhanced enterprise zones (Sections 135.950 - 135.970); or
- (g) Missouri Quality Jobs Program (Section 620.1881).

Requires a qualified manufacturing company that fails to make the required capital investment within two years to immediately cease retaining any withholding taxes with respect to jobs at the facility, repay all withholding tax previously retained plus interest of 5% per year, and forfeit all rights to retain withholding taxes for the remainder of the withholding period. If the failure to make the capital investment is due to economic conditions beyond the company's control, the department director may suspend the right to retain withholding taxes one time for up to three years at the company's request.

CONTACT

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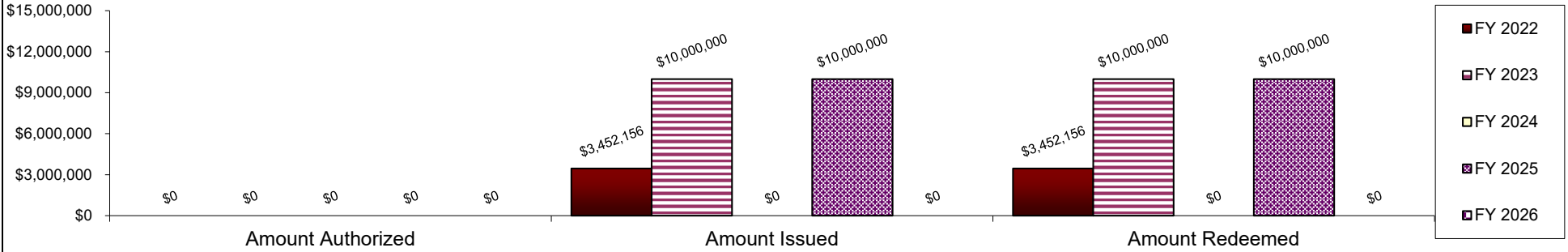
TAX CREDIT ANALYSIS

| | | | | | | |
|--|-----------------------|---|-----------------------|---|----------------------------|--|
| Program Name: Manufacturing Jobs Act | | | | | | |
| Department: Economic Development | | Contact Name & No.: Olivia Bartens (573) 526-0308 | | | Date: January 2025 | |
| Program Category: Business Recruitment | | Type: | | Other (specify) Other: Retention of withholding taxes | | |
| Statutory Authority: Section 620.1910, RSMo | | Applicable Taxes: Withholding Tax | | | | |
| Tax Credit Creation Date: 2010 | | Year of Last Legislative Change: 2013 | | | | |
| Program Description and Eligibility Requirements: A business with NAICS code of 33611 may retain withholding taxes in the amount of 100% for retained full time employees for the creation of a new product line for 10 years or retain 50% of the withholding taxes for the modification or expansion to an existing product for 7 years. A qualified supplier of an eligible manufacturer may retain 100% of withholding taxes for new jobs (creation of 5 new jobs threshold to qualify) for a period of 3 years or, if wages are in excess of 120% of county average, for 5 years. | | | | | | |
| Explanation of How Award is Computed: | | Entitlement <input type="checkbox"/> Yes <input type="checkbox"/> No | | Discretionary <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| The eligible manufacturer commits to make a capital investment of at least \$75,000 per retained job, or in the case of a modified/expansion of an existing product, commits to make a capital investment of at least \$50,000 within no more than two years of the date the company begins to retain withholdings. For the eligible supplier, the company must derive more than 10% of the total annual sales from the qualified manufacturer and add five or more new jobs. | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 15 million _____ None _____ | | | | | | |
| Cap Shared Between Programs <input type="checkbox"/> No <input type="checkbox"/> Yes | | Which Program(s)? _____ | | | | |
| Explanation of Cap: Maximum amount of withholding tax that can be retained by any one qualified manufacturing company shall not exceed \$10 million per calendar year and the aggregate amount for all qualified manufacturing companies shall not exceed \$15 million per calendar year. There are no annual limits for qualified suppliers. | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes <input type="checkbox"/> No | | Date of Sunset 10/12/2016 | | Date of Last Sunset Extension _____ |
| Explanation of Expiration of Authority: This program sunset October 12, 2016. | | | | | | |
| Specific Provisions: (if applicable) Carry forward <input type="checkbox"/> n/a <input type="checkbox"/> Yes <input type="checkbox"/> No Carry Back <input type="checkbox"/> n/a <input type="checkbox"/> Yes <input type="checkbox"/> No Refundable <input type="checkbox"/> No <input type="checkbox"/> Yes Apportioned <input type="checkbox"/> No <input type="checkbox"/> Yes Appropriated <input type="checkbox"/> No <input type="checkbox"/> Yes Sellable/Assignable <input type="checkbox"/> No <input type="checkbox"/> Yes Organizations Remit an Offset <input type="checkbox"/> No <input type="checkbox"/> Yes Additional Federal Deductions/Credits Available <input type="checkbox"/> No <input type="checkbox"/> Yes | | | | | | |
| Comments on Specific Provisions: | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) |
| Certificates Issued (#) | 0 | 0 | 0 | 0 | 0 | 0 |
| Projects/Participants (#) | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Amount Issued | \$3,452,156 | \$10,000,000 | \$0 | \$10,000,000 | \$10,000,000 | \$0 |
| Amount Redeemed | \$3,452,156 | \$10,000,000 | \$0 | \$10,000,000 | \$10,000,000 | \$0 |
| | | | | | | |
| FY 2024 EST. Amount Outstanding | \$0 | FY 2024 EST. Amount Authorized but Unissued | | \$0 | | |

TAX CREDIT ANALYSIS

Program Name: Manufacturing Jobs Act

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

Issuance and redemptions happens at the same time; so there is \$0 outstanding, which are tax credits issued but not yet redeemed.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

| | FY 2024 ACTIVITY | Other Fiscal Period (10 Years) |
|--------------------------|---------------------|-----------------------------------|
| BENEFITS | | |
| Direct Fiscal Benefits | | |
| Indirect Fiscal Benefits | | |
| Total | \$0 | \$0 |
| COSTS | | |
| Direct Fiscal Costs | | |
| Indirect Fiscal Costs | | |
| Total | \$0 | \$0 |
| BENEFIT: COST | #DIV/0! | #DIV/0! |

Derivation of Benefits:
No authorizations in FY2024.

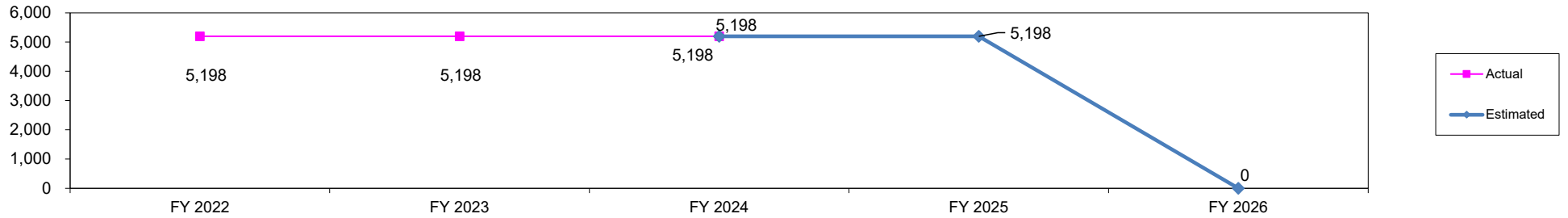
Other Benefits:

TAX CREDIT ANALYSIS

Program Name: Manufacturing Jobs Act

PERFORMANCE MEASURE(S)

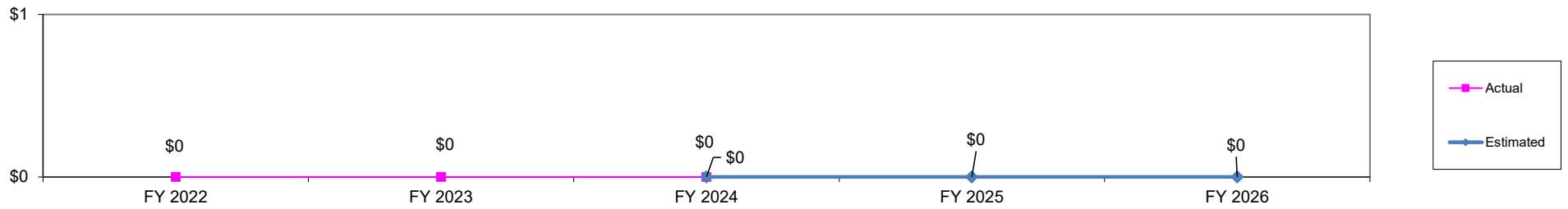
Permanent Jobs Retained



Comments on Performance Measure:

Same jobs retained each year.

Investment



Comments on Performance Measure:

The manufacturers have reported their investments in previous years. Suppliers are not required to report investment.



REBUILDING COMMUNITIES TAX CREDIT PROGRAM

PURPOSE

To stimulate business activity in Missouri's "distressed communities" by providing tax credits to eligible businesses that locate, relocate or expand their business within a distressed community.

AUTHORIZATION

Section 135.535, RSMo.

ELIGIBLE AREAS

Distressed communities only. For a list of cities and census block groups that are "distressed communities," visit DED's web site or call 573-751-0717.

ELIGIBLE APPLICANTS

Businesses that locate, relocate or expand their business within a distressed area or distressed Missouri community.

ELIGIBILITY CRITERIA

- Must have more than 75% of its employees at the facility in the distressed community.
- Must have fewer than 100 employees total at all facilities nationwide (before commencing operations or relocating).
- Primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming (including Internet, web hosting, and other information technology), telecommunications (wireless, wired or other), or a professional firm.

CATEGORIES OF BUSINESS

NEW OR RELOCATING BUSINESSES

Eligible new or relocating businesses may choose one of the 40% Tax Credits and the employees may receive the 1.5% Employee Tax Credit.

EXISTING BUSINESSES

Eligible businesses already located in a distressed community may be eligible for the 25% Equipment Tax Credit. Existing businesses that double the number of full time employees in the distressed community from the previous year, may choose one of the 40% Tax Credits.

TAX BENEFITS AVAILABLE

40% INCOME TAX CREDIT:

State tax credit based on 40% of the amount of state income tax owed by the business.

40% EQUIPMENT TAX CREDIT:

State tax credit based on 40% of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high-speed telecommunications, wiring or software development expense in the calendar year.

1.5% EMPLOYEE TAX CREDIT:

Employees of an eligible business may receive a tax credit against state individual income tax equal to 1.5% of their gross annual salary paid at the project facility. The business must receive one of the 40% Tax Credits each year for the employees to be eligible for this credit.

25% EQUIPMENT TAX CREDIT:

State tax credit based on 25% of the amount of funds expended for eligible equipment in a taxable year that exceeds the average of the prior two years' expenditures for such equipment. Eligible expenditures include: computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high-speed telecommunications, wiring and software development.

PROGRAM BENEFITS/ELIGIBLE USES

The 40% Income Tax Credits and the 25% and 40% Equipment Tax Credits can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

And have these special attributes:

- Carry back 3 years
- Carry forward 5 years
- Sellable or transferable

The 1.5% Individual Tax Credit can be applied to:

- Ch. 143 – Individual income tax

And has this special attribute:

- Sellable or transferable

FUNDING LIMITS

PROGRAM LIMIT:

- All credits: \$8 million/year
- 25% Equipment Tax Credits: \$750,000/year

PER BUSINESS LIMIT:

- 40% Income Tax Credit: \$125,000/year
- 25% and 40% Equipment Tax Credits: \$75,000/year

ELIGIBILITY PERIOD:

- 40% Equipment Tax Credit: Year of commencement of operations plus three calendar years thereafter
- 40% Income Tax Credit: Three tax years after the year of commencement of operations
- 1.5% Employee Tax Credit: Three tax years after commencement of operations

APPLICATION/APPROVAL PROCEDURE

- New or relocating businesses should submit a Pre-Application to DED prior to commencing operations in the distressed community.
- Businesses applying for the 25% Equipment Tax Credit should submit a Pre-Application for each year that they intend to request tax credits.
- Applications for tax credits must be submitted to DED prior to February 15th of the calendar year following the year in which the credits were earned.
- Tax credits will be issued on a first-come, first served basis.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

A business can only earn the 40% Tax Credits under this program for one eligibility period.

No business can earn credits under this program if earning Missouri Quality Jobs, Enterprise Zone, Enhanced Enterprise Zone, Business Facility or Brownfield Jobs and Investment Tax Credits for the same project for the same tax period. If a project is eligible for more than one such program, the business must choose only one program.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.com

TAX CREDIT ANALYSIS

| | | | | | | | | | | |
|---|------------------------------|---|---------------------------------|---|--|--|--------------------|------------------------------|----------------------|-----------------------------|
| Program Name: Rebuilding Communities (ROC) | | | | | | | | | | |
| Department: Economic Development | | Contact Name & No.: Olivia Bartens (573) 526-0308 | | | Date: January 2025 | | | | | |
| Program Category: Business Recruitment | | Type: | Tax Credit | Other: | | | | | | |
| Statutory Authority: Section 135.535, RSMo | | Applicable Taxes: Income Tax, Corporate Franchise Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax | | | | | | | | |
| Tax Credit Creation Date: 1997 | | Year of Last Legislative Change: 2013 | | | | | | | | |
| Program Description and Eligibility Requirements: Provides a tax credit for eligible businesses locating, relocating or expanding within a distressed community. A business must have fewer than 100 full-time employees, 75% of which must be located in the distressed community, and be primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming, including Internet, web hosting, and other information technology, wireless or wired or other telecommunications or a professional firm. | | | | | | | | | | |
| Explanation of How Award is Computed: <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Entitlement</td> <td style="text-align: center;"><input type="checkbox"/> Yes</td> <td style="text-align: center;">Discretionary</td> <td style="text-align: center;"><input type="checkbox"/> No</td> </tr> </table> The tax credit is equal to either 40% or 25% of eligible equipment purchases, depending on whether the business is new or existing, or 40% of state income taxes due. A 1.5% employee tax credit is also available to businesses who receive one of the 40% credits and is based on an employee's gross salary. The 40% income tax credit is limited to \$125,000 per year for three years. The 40% and 25% equipment credits are limited to \$75,000 per year for four years. | | | | | | | Entitlement | <input type="checkbox"/> Yes | Discretionary | <input type="checkbox"/> No |
| Entitlement | <input type="checkbox"/> Yes | Discretionary | <input type="checkbox"/> No | | | | | | | |
| Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 8 Million _____ None _____ Cap Shared Between Programs <input type="checkbox"/> No Which Program(s)? _____ | | | | | | | | | | |
| Explanation of Cap: Total credits issued under this program may not exceed \$8 million per year. The 25% equipment credits are further limited to \$750,000 per year. (Note that 620.1881, RSMo - the Missouri Quality Jobs Act - reduced the cap from \$10 million to \$8 million). | | | | | | | | | | |
| Sunset Provision: | | <input type="checkbox"/> Yes | Date of Sunset 8/27/2013 | | Date of Last Sunset Extension _____ | | | | | |
| Explanation of Expiration of Authority: No new projects may be proposed after August 27, 2013. | | | | | | | | | | |
| Specific Provisions: (if applicable) | | | | | | | | | | |
| Carry forward <input type="checkbox"/> 5 years | | Carry Back <input type="checkbox"/> 3 years | | Refundable <input type="checkbox"/> No | | Apportioned <input type="checkbox"/> No | | | | |
| Sellable/Assignable <input type="checkbox"/> Yes | | Organizations Remit an Offset <input type="checkbox"/> No | | Additional Federal Deductions/Credits Available <input type="checkbox"/> No | | Appropriated <input type="checkbox"/> No | | | | |
| Comments on Specific Provisions: The 1.5% employee credits are sellable/assignable only. | | | | | | | | | | |
| Legislative / General Assembly Action(s) During Prior Five Years: | | | | | | | | | | |
| | FY 2022 ACTUAL | FY 2023 ACTUAL | FY 2024 ACTUAL | FY 2025 (year to date) | FY 2025 (Full Year) | FY 2026 (Budget Year) | | | | |
| Certificates Issued (#) | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Projects/Participants (#) | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Amount Authorized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| Amount Issued | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| Amount Redeemed | \$180 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| FY 2024 EST. Amount Outstanding \$0 | | | | | | | | | | |
| FY 2024 EST. Amount Authorized but Unissued \$0 | | | | | | | | | | |

TAX CREDIT ANALYSIS

| Program Name: Rebuilding Communities (ROC) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-----------------------------|--|--|-------------|-------------------|---------------|-----------------|---------|-----|---------|-------|---------|---------|-----|-----|---------|-----|-----|---------|---------|-----|-----|-----|---------|-----|-----|-----|
| HISTORICAL AND PROJECTED INFORMATION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="margin-top: 10px; width: 100%; text-align: center;"> <caption>Amount Authorized, Issued, and Redeemed</caption> <thead> <tr> <th>Fiscal Year</th> <th>Amount Authorized</th> <th>Amount Issued</th> <th>Amount Redeemed</th> </tr> </thead> <tbody> <tr><td>FY 2022</td><td>\$0</td><td>\$0</td><td>\$180</td></tr> <tr><td>FY 2023</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> <tr><td>FY 2024</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> <tr><td>FY 2025</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> <tr><td>FY 2026</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> </tbody> </table> | | | | Fiscal Year | Amount Authorized | Amount Issued | Amount Redeemed | FY 2022 | \$0 | \$0 | \$180 | FY 2023 | \$0 | \$0 | \$0 | FY 2024 | \$0 | \$0 | \$0 | FY 2025 | \$0 | \$0 | \$0 | FY 2026 | \$0 | \$0 | \$0 |
| Fiscal Year | Amount Authorized | Amount Issued | Amount Redeemed | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2022 | \$0 | \$0 | \$180 | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2023 | \$0 | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2024 | \$0 | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2025 | \$0 | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2026 | \$0 | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | |
| Comments on Historical and Projected Information: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BENEFIT: COST ANALYSIS (includes only state revenue impacts) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | FY 2024 ACTIVITY | Other Fiscal Period (indicated time period) | Derivation of Benefits: No new authorizations in FY2024. | | | | | | | | | | | | | | | | | | | | | | | | |
| BENEFITS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Direct Fiscal Benefits | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indirect Fiscal Benefits | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| COSTS | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Direct Fiscal Costs | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indirect Fiscal Costs | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | \$0 | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| BENEFIT: COST | #DIV/0! | #DIV/0! | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Benefits: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PERFORMANCE MEASURE(S) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| New Investment | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="margin-top: 10px; width: 100%; text-align: center;"> <caption>New Investment Performance</caption> <thead> <tr> <th>Fiscal Year</th> <th>Estimated</th> <th>Actual</th> </tr> </thead> <tbody> <tr><td>FY 2022</td><td>0</td><td>0</td></tr> <tr><td>FY 2023</td><td>0</td><td>0</td></tr> <tr><td>FY 2024</td><td>0</td><td>0</td></tr> <tr><td>FY 2025</td><td>0</td><td>0</td></tr> <tr><td>FY 2026</td><td>0</td><td>0</td></tr> </tbody> </table> | | | | Fiscal Year | Estimated | Actual | FY 2022 | 0 | 0 | FY 2023 | 0 | 0 | FY 2024 | 0 | 0 | FY 2025 | 0 | 0 | FY 2026 | 0 | 0 | | | | | | |
| Fiscal Year | Estimated | Actual | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2022 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2023 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2024 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2025 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY 2026 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Comments on Performance Measure: Program has sunset. No new investments accepted for the tax credits. | | | | | | | | | | | | | | | | | | | | | | | | | | | |